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Volume Six · · Summer 1946 · · Number Two

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The ANTIOCH REVIEW

"Why should there not be a patient confidence in the ultimate justice of the people? Is there any better or equal hope in the world?"

—ABRAHAM LINCOLN

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EDITORIAL

Reconversion for Liberals

THE TROUBLE TODAY," says Samuel Grafton in one of his better columns, "is that the man who thinks for himself doesn't quite know what to think." Presumably the man who thinks for himself is a liberal. And the possibility that he doesn't quite know what to think today may be simply an extension of the possibility that he wasn't able to think much during the war either. If the danger lurking behind you seems horrible enough, jumping off the dock can be more a reflex action than a result of cool calculation.

The war was a struggle for survival against fascism. It was a total war which absorbed liberalism just as it absorbed nearly every other type of energy, and it turned liberalism, at least partially, in the direction of its own purposes. The unity necessary to successful war required a stepping up of popular symbolism; Hitler stood for what we were fighting against, and Roosevelt was a figure, at least in part, of what we were fighting for. Liberalism shared in this symbolism and it developed a certain popularity. But the examination of symbols and of program, largely suspended by international conflict, is now overdue. It is a time for reconversion here as elsewhere. Or more accurately, it is acutely a time for liberal analysis, to be followed presently by a new synthesis.

Such a conclusion is underlined by the fact that postwar periods are notoriously illiberal if not reactionary, and that the present one is no exception. Since President Roosevelt's death, American progressives have not won a single victory of even moderate proportions. It will not do to attribute successive defeats, as some have done, simply to the loss of a great leader or the lack of new leaders. Certain liberal objectives were

blown up by the war; others cannot be pursued again until they are given new directions or until they are redefined. The man who thinks for himself is already asking what philosophical position a liberal may take in the postwar world. (Two closely related discussions of the subject appear in the latter pages of this issue.) He will ask many other questions, about objectives, strategy, and tactics.

This is not the time to outline a complete program but it should not be amiss to sketch in some of the lines of liberal interest. Three distinctive political systems seem destined in the immediate future to claim the allegiance of the world's peoples—communism, social democracy or democratic socialism, and what for want of a more up-to-date term may be called capitalistic democracy. That practical manifestations of these systems may be found respectively in Russia, Britain, and the United States gives assurance that discussion of them can avoid the doctrinaire and the academic. What attitudes will each of them suggest to the postwar liberal?

In a technological world of potential plenty, of outworn systems of control, and of dictatorship, the liberal will be seeking a new synthesis. He wants to see freedom joined to planning, security to a vigorous initiative, power to responsibility, and he will accept nothing less than such a union. In theory, the system which ought to provide the best answer to those demands is social democracy. That is one of the chief reasons why he will see in the present British government the most exciting political experiment now taking place anywhere in the world. And it is one of the reasons why we are publishing a number of articles on British Labor policy in this issue.

The liberal, of course, cannot allow his predisposition toward a new political synthesis to repeal his critical sense. He knows that social democratic regimes have been projected before without success. He is aware that the present British Labor government inherits one of the most conservative domestic systems and the most complete imperialistic system in history. But wherever social democracy offers a practical program not denying its principles, wherever it is successful, and wherever it needs help and understanding, he will throw his weight behind it.

Russian communism poses a far more difficult problem for the liberal. The Soviet Union at present gives little evidence of any willingness to cooperate with other nations in a friendly relationship (friends being defined as associates who recognize differences in each other but make allowances

for them or a strong effort at understanding). In this it plays its part in an established pattern of fundamental communist-anticommunist antagonism, which the world cannot pursue or tolerate without eventual war. It must be said that Russian intransigence has at times paid the world handsome dividends, as in its militance against fascism. And it must be added that the traditional Russian attitude was not self-starting. But that does not deny Russian exclusiveness, or the lengths to which the USSR has gone to protect her exclusiveness.

If such an admission comes hard from some of our liberals, the next step is more difficult still. For Russian single-mindedness can never become an excuse for closing the door to co-operation in the future. (Changing the line in Russia, we may be reminded, is much simpler than changing the line in the democracies.) Nor can it become an excuse for "giving Russia what she wants."

Much of the difficulty over the Soviet Union is a matter of misunderstanding. Russians, for example, do not understand American freedom —particularly the freedom to criticize American public policy—for in Russia similar criticism is liquidated or put out of sight and hearing. To Russians our freedom seems quixotic or funny, and they conclude that we do not believe in our stated principles seriously enough to stand up for them. It is about here that the "Russian problem" becomes one of the greatest the liberal has to face, for it forces on him a kind of psychology to which he has been traditionally uncongenial. If he wants to be effective, he has to become tough-minded. The situation calls for a vigor without vindictiveness, an initiative without aggression, a strength without inflexibility—a pattern admittedly difficult to attain.

Moreover, he must always look on Russia clearly and openmindedly. Taking place there today are experiments in science, sociology, and economics, which if properly known and understood, could have great meaning for other nations. It is already well known that the Soviet Union has done more in the problem of race relations than any other country in the world. Much remains to be learned from the Russian experience. (In a future issue we plan to publish a group of articles on the subject.)

To have a foreign policy toward other nations, to assume a stance toward other systems is usually simpler than understanding the international effects of our actions at home and keeping such understanding constantly before us as we make our domestic decisions. This is partially

a matter of perspective. But for Americans it is also a problem of change. We have been too accustomed to thinking of the American political experiment as unique, too prone to thinking of our problems solely in terms of their meaning to us. The liberal will know that in an atomic age this is impossible.

Some glimmering of the interrelatedness of national economies we have now acquired. It is admitted (though not widely enough) that the American economic collapse in 1929 had much to do with subsequent worldwide depression. Today, with America a much greater world power than before and with economic relationships ever more closely interdependent, a new American depression would drastically alter the face of political and social relationships all over the world. The deeper significance of the struggle for price control, social security, and for maintenance of labor strength is the power of those measures as a bulwark against boom and bust. The world cannot afford an American inflationary bender and its blue devils.

Little as we seem to understand about our economic responsibility, we understand even less our world responsibility for liberty. We perceive dimly that the greater part of the human race lives much of the time on a starvation level (though we too infrequently act on that perception). But we have hardly begun to realize that the majority of the world has had no experience with liberty, does not know what it is. And liberty, a message too faintly recalled from past revolutions in the West, is more difficult to learn about, is more intangible than matters of subsistence.

Perhaps we should know our responsibility better and the new conditions which surround our domestic freedom if more of us had lived in concentration camps or under a totalitarian regime. We speak easily and confidently of "the preservation of our civil liberties." But liberty is not something to be preserved as in a jar but is something to be used. Its forms change with new social and economic conditions. Political liberties today, for example, are futile in the absence of liberty to make a living; and freedom of speech and press must mean freedom for the listener and the reader before they mean freedom for the radio station proprietor or the newspaper owner. Yet this is only a beginning in our reconversion. And we can be sure that if we do not fight through to new agreements on the forms and the substance of freedom, our libertarian mission to the world must fail. P. B.

HOW LABOR CAME TO POWER

By MARGARET COLE

IF THE HISTORY and nature of the British Labor Party, which differs so much from that of any other Social Democratic Party in the world, is to be understood, it is necessary to emphasize two facts about its origin. First, it came into existence, not in opposition to British capitalism, but as part of it. The early opposition, the starving mobs and self-educated radical craftsmen who made the riots of the Industrial Revolution, joined Robert Owen's Grand National Consolidated Trade Union, and frightened the middle class with Chartist petitions and processions, had been completely beaten off the field; their leaders were no more than dimly remembered names by the time that the modern labor movement took shape; the new co-operative societies, of which Rochdale is generally considered the pioneer, had as a body no political views at all. (As individuals, there were, probably, a majority of liberals.)

Secondly, the major tasks of social reform had been grappled with in some measure by one or other of the bourgeois parties almost as soon as the Industrial Revolution had reached its height. The later labor movement did not need to go to prison for the right to free speech and uncensored publication, or for the right to combine—in moderation. Factory and mining legislation, the prohibition of truck, sanitary improvement, even housing and public education, had been initiated by Whigs, Peelites, Liberals and Conservatives; the Civil Service had been reformed, and the welfare state set up in embryo. All that the majority, even of the most thoughtful workingmen wanted, was that the reforms should go faster and farther and that Parliament should take a little more notice of the specific interests of workingmen. It is at least arguable that if the class prejudices of Britain had not remained so strong, if the Liberal Party, for example, could have brought itself to the horror of introducing a few more "fustian jackets" into the sacred club of Westminster, the formation of a Labor Party would have been indefinitely delayed.

For socialist doctrine—which was certainly incompatible with nineteenth-century liberalism—had taken hardly any hold at all. Though Marx lived for so many years in the shadow of the British Museum, he never understood British trade unionists, and his doctrines seemed to them unintelligible and unappetizing nonsense. They thought it quite correct that other nationalities should be encouraged to form trade unions, so that foreign blacklegs should not be brought in to break British strikes and that a row should be made when foreign governments threw trade unionists into jail—which was all they understood about the First International—but when they discovered that through it they were committed to supporting the Commune of Paris they indignantly retired.

In the explosions of the '80's when mass unemployment made its first recognizable appearance, and liberal social reform (grown by then rather old and exhausted) had no remedy to offer, in particular in the great dock strike of 1889, led by the Marxists John Burns, Ben Tillett, and Tom Mann, socialism seemed to be gaining ground for a moment; but the masses were unconverted and it faded away. The brilliant group which founded the Fabian Society were calling themselves socialists by 1884, and laying the plans and training the administrators who had such an immense influence later on; but in the '80's and '90's Fabians believed in "permeation," in making the country socialist, as it were unknown to itself, by concerting an adequate number of persons in key positions to specific bits and pieces of a socialist system, and had no notion of forming a separate party. (It was not till the eve of the first World War that the Webbs were finally convinced of its necessity.)

The largest socialist society was the Independent Labor Party, founded in 1893 by Keir Hardie, who had become a socialist through his upbringing in the Scottish mining valleys, where the naked struggle between masters and men was much more bitter than in the more humanized southern cities, and where the Scottish liberals were about as illiberal as they could be. It gathered in, under a rather nebulous program, some thousands who had learned variously from Ruskin, William Morris, Henry George, Peter Kropotkin, Robert Blatchford and Bernard Shaw, to desire a better world brought about through fundamental changes, and, taught by the Fabians, it managed to make some impression on local govern-

ment;[1] but nationally its political influence was very slight. It was poor, of course—and it had not converted the trade unions.

Their conversion was Keir Hardie's aim and object—to put behind the faith and labor of his group of socialists the solid support of the organized industrial workers, by inducing their leaders to believe in the necessity of an independent political party for the working class. By 1900 his efforts were successful, largely, as I said in a previous paragraph, because the Liberals were too snobbish to adopt workingmen as candidates except in a very few cases, and because the reforming zeal had departed from the party since the split over Gladstone's last Irish Home Rule Bill. A modicum of trade unions joined with the ILP and the Fabian Society to form the Labor Representation Committee (which took the name of Labor Party in 1906) on the basis, roughly, that the ILP and a few of the Fabians did the work and the trade unions put up the slender funds. Its secretary was a little-known young Scot, James Ramsay MacDonald.

It was not a very inspiring little object. The resolution of the Trades Union Congress which led to its establishment runs:

> That this Conference is in favor of establishing a distinct Labor group in Parliament who shall have their own whips and agree upon their policy, which must embrace a readiness to co-operate with any party which, for the time being, may be engaged in promoting legislation in the direct interest of labor, and be equally ready to associate themselves with any party in opposing measures having an opposite direction

which is not exactly a clarion call to action, and certainly did not amount to anything approaching a policy. Several of the larger trade unions held aloof; the Fabians, while giving their mild approval, were still much more interested in "permeation"; almost all the drive and enthusiasm of the early years came from members of the ILP.[2] Had not the House of Lords given it a gratuitous boost by deciding, in the Taff Vale Judgment, that trade union funds were liable to repay the losses caused to employers by

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[1]In London, on the newly-created LCC, the Fabians had it all their own way with the progressive majority. But they did not stand as socialists, or even as labor.

[2]Not "members of the Labor Party," be it noted. The Labor Party was a federation of bodies; even its local sections, where they existed, were federations of trade union branches, ILP branches, and the like. Before 1918, it was not possible for an individual to join the Labor Party.

strikes—a decision which could only be put right by legislation—it might well have faded away. This timid and uninspiring origin must be remembered by all who want to understand its history.

Taff Vale, however, made its union support secure, and in 1906, the year of the greatest landslide in English political history, thirty Labor members turned up at Westminster, in company with many Liberals pledged to reforms which would please labor. In the first three years of the new government, several of these reforms were set on foot. Then, however, Lloyd George, the Chancellor of the Exchequer, tripped over the feet of the landowners in the House of Lords, and the whole government drove into the storms of Irish Home Rule. The commanding majority of 1906 was lost, and the Labor handful (increased to 42 by the adhesion of the northern miners' MP's) found themselves in the position of having at all costs to keep the Liberals in office, the while those same Liberals were dodging on the issue of votes for women—which labor desired—refusing to replace the hated Poor Law by the social security system so brilliantly worked out by Beatrice Webb, suppressing mining, railway and dock strikes, and generally doing nothing whatever to cope with a rising cost of living which the working class could not understand. Various groups advocating violent measures—suffragettes, syndicalists, and guild socialists—sprang up; the trade unionists who formed the bulk of the parliamentary party sat still or voted to save the government; George Lansbury was expelled for denouncing the treatment of the suffragettes. Just before the outbreak of World War I the prestige of the party stood about as low as it well could.

The war, eventually, brought about a profound change, though this was not visible for a long time, since the bulk of labor, after the first shock, rallied whole-heartedly to the government,[3] and the unions in effect abandoned the right to strike. But in the course of the war three things happened. Lloyd George and Asquith between them so split the Liberal Party that it could never again become a government or even an official opposition; the needs of war production raised the membership and the conscious power of trade unions to a level they had never before

[3]Even so, Ramsay MacDonald, the semi-pacifist, though he ceased to be leader, was not expelled from the party; on the contrary, a safe post was found for him as its treasurer. The cohesion of the party thus demonstrated is a very important factor in its history.

experienced; and Sidney Webb and his fellows, with the assistance of Arthur Henderson, Labor Minister in the War Cabinet, prepared for the party a new constitution, drew up for the first time, in *Labor and the New Social Order,* a coherent socialist program, and further produced manifestoes on foreign and colonial policy which encouraged middle-class pacifists and enemies of Lloyd George to believe that here was growing up a party which they could join.

These effects, however, were not perceptible for some considerable time outside a quite small circle. In the khaki election of 1918 Lloyd George overwhelmed his opponents, and the new huge electorate, including the women, made it plain that they agreed with Churchill that labor was unfit to govern.[4] Certainly the 60 Labor MP's who survived the storm were not impressive, being for the most part stolid old trade unionists of strong anti-German views and not many other views. They were, in fact, His Majesty's opposition, but they were difficult material to build into a strong or informed opposition. Nevertheless, the local elections of 1919, where in the absence of any Lloyd George "coupon" a large number of Labor gains were made, showed more correctly what was really happening; and when in 1922 Lloyd George, having served his turn, was elbowed out by the Tories, the subsequent election showed a Labor Party doubled in strength. Less than two years later, when Baldwin tried prematurely to abandon free trade, another election gave Labor 193 out of 615 seats, and made Ramsay MacDonald Prime Minister of Britain for nine months, until the Liberals took advantage of the government's first serious mistake to turn it out—and got smashed in the next election for their pains.

The first Labor government is not of much importance for history; it was numerically very weak; it was entirely dependent on the support of a Liberal vote not much less numerous than its own; and the party had had little time, since 1918, to train up men of front-bench calibre. It made useful attempts to get on with working-class house-building and to improve foreign relations (with Herriot's government in France); but it could hardly have lasted long in any event. The second attempt, in 1929, was a much more serious affair.

[4]The cartoonist Poy, in a drawing which still has point, depicted Churchill in a very peculiar hat, saying to Labor, "*You* couldn't wear that Hat; you'd look So Silly in it."

Labor came in, without a majority and therefore still in the last resort dependent on the Liberals, but 287 strong, and with a good many new men. It was intending, in the last summer of prosperity before the great debacle, to cure the housing sore, to make a new education system, to find means of ending unemployment, to make a lasting peace in Europe and to settle finally the problem of German reparations. It did none of these things. Less than two and a half years after it had taken office, the government was out, its Prime Minister, with his two most prominent lieutenants, had joined hands with his erstwhile political enemies in a national coalition, leaving Henderson to play out until his death the tragic farce of the Disarmament Conference, while Labor went down to the most crashing defeat of its history, from which it had not recovered by the outbreak of a new war.

During its short life, the second Labor government disappointed many of its supporters, particularly the ILP. It seemed to the eager advocates of "socialism in our time" to be hesitant and fumbling, which to some extent it was. It had not, in spite of its near-victory at the polls, grown up sufficiently from its forty-year-old inferiority complex, its half-belief that Labor was not really fit to govern, to manage the two vital and difficult problems of finance and international relations. But it was not, in fact, any such incompetence which brought about the disaster of 1931, nor even the personality of the Prime Minister, though MacDonald's increasing dislike for his plebeian associates and his growing affection for the high society represented by such lights as the Londonderrys, coupled with his inability to see any issue in straight terms or to express himself straightforwardly, contributed in no small measure to the bewilderment of his colleagues during the crisis and their helpless threshing to and fro in the subsequent developments. (As far back as 1924 Beatrice Webb had observed in MacDonald that weakness, which was so well illustrated in the controversy about wearing Court dress, and had made efforts to induce the Labor government to encourage the general adoption of a modest bourgeois standard—that of the Webbs' own home life, for example!—but without success. The feeling of class inferiority still went deep, and men like J. H. Thomas were anxious to prove that they could wear a dress shirt with the best of them.)

But what brought down the government was simply the economic blizzard, which struck down moderate governments and legality and set

up fascist dictatorships all over Europe, as in the United States it swept the more fortunate Roosevelt into unexpected power a year later. The mildness of British political strife has concealed from foreign observers, accustomed to having their political disputes emphasized by murder and concentration camps, the fact that the British labor movement was, after the Italian, the first to be knocked down by fascism born of slump. All the factors were present in embryo. There was the trade collapse, never envisaged by social democracy, with which its leaders were incapable of coping: this was promptly followed by the antilabor forces' attempt to throw all the blame upon the "impossibly high standard of living" enjoyed by the working classes, to demand instant reductions in wages, to create a financial panic and conjure up the specter of inflation, and to persuade the leaders of the working classes to desert their party. When they had succeeded in the last purpose to the extent of carrying off three of the four chiefs—MacDonald, Snowden, and Thomas[5]—they fought the election on an appeal for blind confidence, on lying radio propaganda about Labor's intention to raid the Post Office Savings Banks, and with ominous hints of thuggery and anti-Semitism. At the polls they won; the frightened people showed that Labor had not captured their real confidence by flocking out to vote against it and a national government dominated by the Tories came into power with an enormous majority. But reaction went no further: social advance was stopped, but totalitarianism was not introduced, trade unions were not suppressed, and even the harsh treatment meted out to the defenseless unemployed was mitigated after a time.

Nevertheless the blow was very severe, and left the party floundering for years to come—even to Munich and beyond. For before it could again think of power, it had not merely to get new leaders and to put its organizational house in order, it had also to make up its mind what to do in face of the new military menace in Europe—and that involved a slow and painful break with its whole past policy of disarmament and peace. The members of the Labor Party were not dyed-in-the-wool pacifists, but they *were* deeply disillusioned with the outcome of the last war and had been politically brought up on the words "Never again"; and the

[5]Henderson, Secretary of the party, stood firm, as did practically all the rest of the government.

change to a new attitude was made more difficult by the melancholy conviction of those who understood most clearly the menace of Hitler that Baldwin, Chamberlain, and their friends were most unlikely, if they got the new armaments for which they were asking, to use them effectively in defense of democracy—witness Manchuria and Abyssinia, and, indeed, Munich and the months of the phoney war.

So, though the position in Parliament improved when the 1931 scare had passed over, the picture presented by the Labor Party in the '30's was one of confusion and dispute—not inspiring, though perhaps no more uninspiring than that presented by any other European country during that dolorous decade.

In 1935, after an unusually bitter wrangle, the retirement of Lansbury from the leadership indicated that the pacifists were beaten; but a series of ineffective attempts to make a "United Front" with Communists and disgruntled Liberals held up organization from time to time, while intellectuals and trade unionists abused one another. The winning of the London County Council by Herbert Morrison's troops—"a Fabian triumph," Mrs. Webb called it—was the only really impressive gain to set off against the general feeling of weakness and frustration.

Nevertheless, a change was coming unseen. The events which followed Munich made up the party's mind for it on foreign affairs; on the eve of the declaration of war excited Tories, waving their Order Papers, urged Arthur Greenwood to "speak for England"; and he did. When Churchill came in to fight the war in earnest, the Labor ministers, particularly Bevin and Morrison, were given the hardest posts to fill, and stood firmly up to them. Meantime, a Fabian Society, revived by a group of youngish men and women which had been at work since 1932, was rethinking the problems of policy in the terms of modern conditions and helping to lay the foundations of a government program; while simultaneously they were building up discussion groups and training new second-eleven leaders, particularly among those who had passed through the state secondary schools, in ways which failed to excite public attention while the political truce shut down ordinary political activity—though on food committees, citizens' advice bureaus, and hundreds of other groupings the rank-and-file voter was beginning to find his feet, and the intellectual was coming out of the universities to learn the business of government as a temporary civil servant. And in the Forces,

lectures, discussion groups, soldiers' parliaments, and newspapers like the famous group run for the Eighth Army, provided considerable opportunity for the conscript who wanted to learn about politics.

Came May, 1945, and the end of the German war. The Tories noted two portents—the victory of a Common Wealth candidate in the Chelmsford by-election, with the political truce still in operation, and, more alarming still, the narrow defeat of a pacifist-Socialist candidate at Newport, right in the middle of VE celebrations. They decided that a khaki election—model, Lloyd George in 1918—afforded their only hope, and forced it on a Labor Party so delighted to be "together again," with a program all its own, that the outcome of the election, in which hardly anyone expected a victory, became almost unimportant. Nobody who was at the Blackpool Conference will ever forget the atmosphere of revival and sheer happiness in which it was soaked.

The Tories played Churchill, their massive trump—four times in the pre-election broadcasts and on every hoarding in the country. He, in his turn, led two losers—Professor Laski and the Gestapo; and continued to play them right through the campaign. The final verdict was plain enough, and would have been even plainer had the votes lost owing to the state of the register[6] been counted. Churchill was given his triumphal procession (except for the final effect in the Walthamstow Stadium), but as one of the cheering crowds said to me, "I came to have a look at the old —, not to vote for him." Outtalked on the radio, outwritten in pamphlets and books published by the party, the Fabian Society, Victor Gollancz and others, the Tories were decisively outvoted on the fifth of July: the most astonishing phenomenon, perhaps, being the fact that Churchill, the war leader, so manifestly lost the soldiers' vote. In any other European country, this would have meant physical revolution. And the verdict given in July was repeated, albeit with some diminishing emphasis, in the local elections of November and April.

Why did the Labor Party win, against so many odds and in defiance of the great majority of the prophets? In my view, the principal causes were five. First, it won because it had a positive program, and the Tories had none—except that "the best people" should continue to rule; throughout the election, it was clear that ranting, even on the Labor side, did not

[6]Possibly as many as a million in all.

interest the audiences, and that straightforward argument did. This leads us to the second cause—the growth of education, state and post-school, over the last twenty years, which has made so many more people in the country capable of understanding an argument; it is impressive to see how many of the new MP's began life as elementary scholars, but proceeded to Ruskin College or adult classes of various kinds. Thirdly, the Labor first eleven made a far better showing on the radio than any of the Tories, with the possible exception of Sir John Anderson—who sits as an independent. Fourthly, the course of the war, on the civilian even more than the military front, had convinced the ordinary citizen who thought at all that he was a real fellow and of real importance; the agelong inferiority complex, as regards both leaders and led, was shaken at last. And fifthly, the electorate was sick to death of the Tories and dead against Führership in all its forms.

How firm is the Labor victory? Barring accidents—admittedly a very big if—it looks remarkably sound at home. The first important fact to observe is that, *for the first time in history,* Labor has really carried the bulk of the working class (those earning £5 a week and less) and has also won a plurality of the lower middle-class (£5-£10 a week). The second fact is that the Tories still have no policy at all. Nearly a year after the election, they give the impression that they do not to this day know what hit them, and like their Moderate counterparts on the LCC—who were given an extra smack on the nose in April—they so far can do nothing in Parliament but mutter and scrap on the side lines. Third, the *personnel* of the new parliamentary party is enormously different from any of its predecessors. It is much younger (in spite of the advanced age of two or three ministers); it is full of young men from the Forces. It is also drawn from very much wider social sources; trade-union-sponsored candidates have dropped from 50 per cent (1935 election) to about a fifth; the bulk of the new MP's come from the middling and lower-middling classes, and only 9 of the cabinet ministers are ex-public-schoolboys. The intellectual level, and the appetite for work, among the new MP's is extraordinarily high; and the work they do, week end by week end, among their constituents—who, incidentally, are themselves learning, in many cases, the job of government on county councils, borough councils, and God knows what—will be a continuous educative force. The party machinery and personnel has itself been rapidly overhauled, and with

the repeal of the Trade Union Act of 1927, that much-resented reprisal for the 1926 strike, will soon be capable of much further expansion. Finally, the number of safe seats—those with 15,000 majority and upwards—on the Labor benches is very high in comparison with those of the Tories; the seats which were won by a majority against all comers are just over one-half of the whole; and though the Labor majority is not numerically so large as that of the Liberals in 1906, it does not, on the other hand, include any great group, like the Irish Nationalists, whose support is only forthcoming on terms, or the nucleus of a new opposition like the 30 Labor men of 1906.[7] It stands by itself: if it succeeds, it will have all the credit, and if it fails all the blame.

Will it succeed? Even to try to answer this question takes one into the realm of prophecy, which over twenty years or so has been the graveyard of reputations. Obviously, he would be a fool who would venture to say what would happen to the world during the next ten years; and as Great Britain is, of all major powers, the most exposed to the blast of external winds, the future of the Labor government is on a level with meteorological forecast.

This much, however, must be said. For the first time in the world's history, a social democratic party has come to solid power in an important state, free—as Weimar Germany was not—from any external control. Its responsibility is therefore unique; if it fails, Britain may go back to Toryism comparable with the long years of reaction which preceded the 1832 Reform Act, and Europe—and Asia, in all probability—will have to take their choice between totalitarian communism or some variety of fascism. Its success at home depends upon three conditions mainly: whether it can, within a reasonable space of time, solve the housing problem, that stinking legacy of long years of class control; whether, granted its basic assumption of securing consenting co-operation of all elements, it can socialize industry fast and far enough to make full employment a reasonable possibility and thereby raise productivity enough to pay for the social services which it is pledged to provide; and whether it can find sufficient ability to staff the Civil Service, the local authorities, and the socialized industries and services with men and women who can help and not hinder

[7]The Communists, whatever their fate next Whitsuntide, are not an ingrowing native opposition, but a force inspired and directed from outside.

—this last being bound up with the job of the Ministry of Education. Outside of the British Isles, the problem is larger still; for it involves not merely adjusting the Empire (including at the moment India) for the greatest happiness of the greatest number, but living on terms with Russia and the United States simultaneously, and solving the question of the future of Germany and Western Europe while retaining confidence at home. Whether the Labor government can do all this I do not know—nor does anyone. I only know that no other conceivable government can, and that the present one is soundly based, well equipped, and earnestly anxious to try.

THE ECONOMIC POLICY OF BRITISH LABOR

By GRAHAME MILLER

Between World Wars I and II, British Labor successfully formulated a constructive program of action designed to achieve a planned economy in which democratic liberties and a high degree of social equality were combined. The experience of two periods of office, of the years in opposition, and of two major economic crises superimposed on the chronic depression of Britain's basic industries, all went to the making of this program. The program itself was Labor's solution to three outstanding problems—mass unemployment, the debilitated condition of basic industries and services, and the unhealthy effect of great social inequality.

To end mass unemployment, British Labor proposed a national development plan of public capital expenditure; the public control of credit and investment; expansion of foreign trade by international agreement; the establishment of new industries in areas overdependent on heavy industry; an indirect reduction in manpower by raising the school-leaving age, instituting a shorter working week and offering greater inducements to older men to leave industry. To reorganize and rejuvenate the basic industries and services, Labor proposed to bring into public ownership coal mining, gas and electricity supply, iron and steel, rail and certain other forms of transport. In addition, public authorities were to coordinate all transport, and to secure the reorganization of cotton, some of the heavy industries, agriculture, and fishing. For the attack on social inequality, Labor advocated an expansion in social services, the increased direct taxation of high-income groups, heavier taxation on inheritances, and the introduction of a tax on land values.

After World War II

The program on which British Labor fought and won the 1945 general election was not basically different from that formulated in the interwar years. In its framing and execution, however, there has been an

inevitable shift of emphasis to adjust it to the economic changes produced by six years of war. Labor's aim is still a planned economy, egalitarian and democratic. But the program is now presented as the only practical and positive solution, not only to the problems of interwar Britain (which will reappear after the transitional period), but also to the novel and immediate problems which are a residue of wartime changes.

These new problems are in striking contrast to the history of the interwar period. Before the war, Labor was faced with unemployment and unused productive resources; now these are replaced by full employment, and a total inadequacy of productive resources. Before the war, Britain was in effect saving too much of its income; now it is not saving sufficient. Before the war, increased earnings were a certain incentive to increased production; now, with consumer goods in short supply, increased earnings may no longer supply such stimulus. Before the war, Labor envisaged a modest expansion of foreign trade by international negotiation; now a huge increase in Britain's exports is a dominant economic necessity.

The present economic situation abounds in extraordinary and largely unprecedented changes of this kind, demanding from British Labor a high degree of resilience in its approach to current issues. If wartime developments have produced new problems, they have also given Labor certain compensating advantages. Labor has inherited a wide measure of economic planning from the coalition government, and the need to continue such planning, during the postwar transition, is accepted by the great mass of public opinion. There is general agreement, too, that the wartime increase in social equality must now be consolidated through taxation policy and additions to the social services.

Britain's Economic Problems—the Balance of Payments

Between the wars, British Labor applied its energies to the solution of three outstanding problems of policy—mass unemployment, enfeebled basic industries and social inequality. Now after World War II, Labor faces three immediate problems of a different nature. The first of these is the change in Britain's balance of payments. In the years 1936-1938, Britain's payments for imports of goods and services were balanced by receipts for exports, plus small sales of foreign investment holdings, and short-term borrowings from abroad. After six years of war, this situation

has entirely changed. The trade deficit has doubled as a result of the rise in import-export values; state commitments arising from the war have substantially increased public expenditure overseas; and receipts from invisible exports have been grievously diminished. In order to finance the war, some £1,100 millions of overseas assets were sold, and some £3,300 millions borrowed from overseas lenders. Gold and dollar reserves were reduced by over £400 millions in 1938-1945; and there has been a considerable reduction in the earning power of Britain's merchant shipping, due to heavy war losses of tonnage.

Britain must therefore either reduce imports to well below prewar levels, or meet the deficit in the balance of payments by increased exports or foreign borrowings. The possibilities of substantial cuts in prewar import levels are slight; for such reductions might affect standards of health, would prolong indefinitely Britain's enforced wartime "austerity" of life, and would have disastrous repercussions on the economies of those small nations which are largely dependent on the British market. Additional borrowing from abroad offers only a temporary solution to Britain's difficulties, and cannot be adopted as a long-term policy to meet a chronic trade deficit. The American and Canadian credits, if realized, will give Britain a most valuable "breathing space." But with an estimated deficit of £750 millions in the 1946 balance of payments alone, the total credits of some £1,220 millions cannot do more than relieve the immediate pressure on Britain's resources. Commitments to the International Monetary and Reconstruction funds, the reductions required in sterling balances, and restrictions imposed on Britain's use of specific commercial policies must also be taken into account. In these circumstances, therefore, Britain has no choice but to stake her chances of health and reasonable standards of life on a drive to expand exports to a figure some 50-75 per cent above the 1938 volume.

Claims on Britain's Productive Resources

British Labor's second big problem is to balance the present volume of production against the current enormous and conflicting claims on productive resources. In 1945, Britain's net national income amounted to some £8,483 millions. But claims on the national resources far in excess of this figure have accumulated during the war years. There is, for example, a great latent demand for durable and semidurable consumer

goods which were denied by wartime "austerity." While the size of the demand is incalculable, an indication of its magnitude is given by the difference between 1939 expenditure on certain goods and the actual expenditure in the war years. This difference amounts to some £2,200 millions at prewar prices for clothing, durable household goods, and private motor vehicles alone.

Latent demand for investment goods in Britain is on an even greater scale. In 1939, new investment amounted to some £341 millions, apart from an expenditure of £485 millions on replacements. During the war years, new investment (excluding the limited nonwar capital expenditure of public authorities) ceased entirely, and industry was compelled to postpone a substantial part of its replacement program. At current prices, the volume of new investment required to recover the lost years may amount to some £3,000 millions, and a further £1,900 millions might be needed to meet renewals. To these sums there must be added part of the cost of making good war damage amounting to over £2,000 millions at current prices, for property and shipping. The resultant figure is the expenditure needed to cover war losses, and does not include any allowance for the failure to provide adequate capital for Britain's basic industries and services in the interwar period. Wartime surveys of some of these industries and services have drawn highly unfavorable comparisons with methods and productivity in their foreign counterparts; and they have amply confirmed Labor's protest against short-sighted and incompetent management by private owners in the interwar period. The extent of industry's dilapidation in the hands of private enterprise cannot be measured with precision. But an immediate program of capital expenditure in coal mining, iron and steel, and cotton alone may cost some £330 millions over the next five years.

The central government and local authorities also have important claims to make on Britain's productive resources. Britain's commitments in pursuing an active foreign policy in the uneasy postwar world require the allocation of diminishing, but still substantial, sums for defense. There is the new education program, war-damaged schools must be rebuilt, schools must be provided to accommodate the additional classes when the school-leaving age is raised; and extensions to existing schools will be needed to make possible smaller classes. Under the new National Health proposals, the present hospital system will be recast; and new

hospitals must be added in many areas, together with health centers and clinics. Above all, there are the requirements of the housing program. Shortage of houses is acute as a result of losses by enemy action and the suspension of normal building programs during the war years; and some 165,000 temporary prefabricated houses are needed, together with an ultimate requirement of over 4,000,000 permanent houses.

Demand for consumer and investment goods is backed by ample funds; small savings alone during the war years reached nearly £4,000 millions, and there are refunds of taxation due which will add another £1,000 millions, apart from war damage payments. The inflationary possibilities of the present economic situation are abundantly obvious, and present an unanswerable case for the rationing of productive resources according to a scheme of social priorities, tight control of the factors of production by the central government, and the continuance of a high rate of saving and a degree of "austerity" in consumption.

Reconversion to a Peace Economy

Reconversion is the last of British Labor's three major problems. In June, 1945, total manpower available amounted to 21,500,000 men and women, compared with 19,750,000 in June, 1939. Of this total, however, 5,219,000 were in the armed forces and civil defense, compared with 557,000 before the war; 3,837,000 were producing supplies for the armed forces, compared with 1,270,000 before the war; 417,000 were working for export, compared with some 1,150,000 prewar, and about 11,900,000 were engaged in home civilian manufacture and services, compared with 15,500,000 in June, 1939.

The reshuffling of this great manpower force for peace production is in itself a formidable task. Well over 7,000,000 men and women must change over to peacetime production if the prewar distribution of manpower is to be regained. Some degree of dislocation is inevitable, with the cancellation of war contracts, and hitches in reconversion; and the aftermath of the war, when unemployment rose from about 300,000 to over 1,000,000 within six months of the armistice, indicates how severe this dislocation can be where the transition period is unplanned and uncontrolled. Behind these temporary difficulties lies the far greater problem of the economy's development in the first five postwar years. In 1919, with an unplanned economy, Britain was swept away in a boom of in-

flationary diversions, which ended in the disastrous depression of 1920-1921, and a new peak figure of some 2,600,000 unemployed.

Reconversion has brought a number of minor difficulties in its train. War weariness, engendered by long hours of work, militates against a rapid increase in productivity. The manpower force, artificially swollen by the wartime entry of housewives and men and women of pensionable age, is contracting as these entrants leave industry. Consumer goods industries which lost their manpower to essential war industries, are finding it difficult to win back labor accustomed to higher earnings and superior conditions of work in their wartime employment. The depressed "special areas" of the interwar period, which were favored in the allocation of new munitions factories, are experiencing more unemployment than other areas as their war plants close down. Workers, after the extensive overtime and high earnings of the war period, are restive at the fall in earnings which accompanies a return to less abnormal working hours. Planning departments of the central government, largely staffed by business representatives during the war, are now required to find substitutes for those who are being released to their peacetime posts. Such largely unprecedented problems require of British Labor a combination of solid planning with speedy and skilful administrative improvisation.

II

The economic background to British Labor's policy has been described in sufficient detail to make clear to the observer the great variety of problems now confronting the movement. These problems are often novel, are not covered by prewar party pronouncements, and admit of no doctrinaire solution. But an examination of Labor's present aims and achievements fully demonstrates how the answer to Britain's current difficulties is being found through the realization of that planned economy, democratic and egalitarian, for which the party fought in the interwar years.

The Financial Policy

Britain's wartime necessities required effective central control of credit and investment in the public interest. In the sphere of banking, such control was largely increased through informal agreements of a comprehensive nature; the foreign exchange and capital market controls, on the other hand, were established under statutory powers. These con-

trols are now being adapted to the needs of a peacetime economy, and are being placed on a permanent basis by legislation. When the legislative program is complete, British Labor will be equipped with a variety of instruments for financial planning, essential if a repetition of the 1918-1921 pattern of boom and slump is to be avoided.

Priority in the program has been given to a measure bringing the Bank of England into public ownership, and determining its relationship to the deposit banks and other financial institutions. Private ownership of the central bank and the informal and indirect character of its control over the deposit banks have long been highly anomalous features of the British financial system. The Bank of England Act brings to an end these features, already eliminated in the major banking systems abroad. The act transfers all privately owned shares to government ownership, the private shareholders receiving government fixed-interest bearing stock in exchange. Compensation terms were generously framed, and remarkably little opposition to the transfer was registered by shareholders. The government appoints the Bank of England's directors, in addition to owning all the shares; and it reserves the power to give direction to the bank on matters of high policy.

The bank, however, remains a chartered company and is not subject to day-to-day government direction; and its new board of directors combines a measure of continuity with the past with a lower average age and a wider variety of experience. The act also empowers the Bank of England to secure information from deposit and other banks, to make recommendations and, with appropriate safeguards, to issue directions to them on matters of public policy. These powers will be employed exceptionally, and will not replace the normal machinery of the banking system. But they insure ultimate control by the central economic planning authority of the regulation of credit levels, the broad allocation of credit, the movement of interest rates, and the operation of extraordinary schemes for the short- and medium-term finance of industry. Exchange control is at present enforced by wartime statutory powers, and pivots largely upon the Bank of England. The system will require recasting under the Bretton Woods agreement, and fresh legislation will be needed on the lapse of wartime regulations.

The second of British Labor's measures is a bill for the planning of investment. This measure provides for the continued control of major

capital borrowings, with the government (assisted by an advisory council) laying down the broad policy, and the Capital Issues Committee dealing with its detailed application. The committee will work closely with the existing Public Works Loans Board which now canalizes all important municipal borrowing. It will be the task of the new controls to regulate access to the new capital market according to a scheme of priorities. Such a scheme is at present in operation under the wartime powers, which are being employed to prevent an inflationary scramble for fresh capital, and to insure that due weight is given to the needs of reconversion and the export drive.

The bill also looks forward to the period when the present investment impetus will be spent, and when the problem may be not the control but the stimulation of investment in the interests of full employment. The bill therefore provides for the grant of state guarantees to loans raised by private enterprise, thus insuring lower interest rates for such borrowings. The maximum amount of guarantees will initially be £50,000,000 a year. The central economic planning authority's power to influence investment will, however, be on a much more substantial scale than this sum suggests. There will be in addition, the investment program of the socialized industries and services—coal, gas and electricity, iron and steel, and transport; there will be development expenditure on trunk roads and afforestation; there will be the investment plans of local authorities, the details of which are now being collected by the government; and there will be the state grants and loans in the Development Areas, under the 1945 Distribution of Industry Act.

In the sphere of public finance, British Labor is consolidating the major developments of the war period, adjusted in accordance with its declared principles of policy, and the special needs of the present situations. Labor accepts the ultimate responsibility of the state to secure full employment, it supports the view that the national budget should be balanced over an average of "good" and "bad" years, and it proposes a substantial advance towards a balanced budget in the present year. The current inflationary tendencies of the British economy require a continuance of heavy direct and indirect taxation, and the active furtherance of the National Savings Campaign. But the effect of continued "austerity" on incentives to production has been recognized in Labor's first two budgets. These budgets gave exemption from direct taxation to large

numbers of wage earners whom overtime earnings had brought within the taxation net. Direct taxation on other incomes has been reduced, and the purchase tax on a variety of household goods has been remitted or reduced.

Business too, is assisted by the repayment (for capital expenditure) of deferred tax credits, by reduced direct taxation, and the reduction (and forecasted abolition) of the Wartime Excess Profits Tax. In contrast, surtax on higher income ranges has been increased, and death duties payable on larger estates have been stepped up. Such an advance towards a more equitable distribution of wealth is ancillary to the expanded social services now in operation or planned. These services include cost-of-living subsidies on a wide range of basic foodstuffs, costing some £335,000,000 this year, and designed both to stabilize the cost of living and to raise the standard of life of lower-income groups. Outside the budgetary measures lie a series of operations designed to reduce the rate of interest, and lighten the interest burdens of both public and private borrowers. Lower levels have been achieved for short- and medium-term rates, and a drive to secure a fall in the long-term rate is in progress.

The Manpower Policy

Britain's wartime mobilization of manpower was carried through with the assistance of a comprehensive system of controls. By these, labor was directed to key industries, the engagement of labor was restricted, the labor force in certain industries was tied to the job, compulsory arbitration in industrial disputes was enforced, and minimum standards of welfare, safety, and employment were established. British Labor is now carrying out the demobilization of the wartime labor force, and is re-mustering it for peacetime production. This redistribution of manpower is, however, being achieved with a minimum number of key controls, and reliance is largely placed upon voluntary methods.

Labor's manpower plan envisages a force of some 20,000,000 workers by the end of the present year, compared with some 21,500,000 in June, 1945. With the encouragement given to married women and older workers to stay in industry, however, the decline may not be so great, and there will be the temporary addition of prisoners of war. The figure of 20,000,000 workers will be some 250,000 more than the prewar total, but owing to the reduction in unemployment, there will be about 650,000

more at work than in June, 1939. As planned, 1,700,000 workers will be in the armed forces or producing supplies for those services, a slight reduction on the prewar figure. Some 1,555,000 workers will be engaged on production for export, representing an increase of 400,000 over the June, 1939 level; and the remainder, 15,900,000 workers, will be engaged in manufacture and services for the home civilian market. The latter group represent an increase of 400,000 on prewar figures; but building, agriculture, national and local government service will probably account for most of this change.

The demobilization of service men and women and their absorption in civilian employment is the most complex part of Britain's manpower redistribution, since it is subject to defense commitments, and cannot be carried out by simple selection on the basis of industrial qualifications. The vast majority of releases are being granted on an age and service scale, but about 10 per cent of this total are being released out of turn to enter industries with a serious manpower shortage. Over 1,500,000 men and women were released in the first six months of the program, and a further 2,400,000 releases are planned for the second nine months. A period of paid leave is granted together with war service gratuities, and resettlement grants in some cases. A resettlement advisory service has been established, and three schemes for retraining will shortly be in operation.

Redistribution of manpower within industry is being carried out with a minimum number of essential controls. Direction of labor is confined to men up to 30 years of age, and to higher ages in building, agriculture, and certain other occupations. These powers are now being applied, for example, to alleviate labor shortages in the iron foundry trade, vital to the housing program. Controls on the engagement of labor are retained only for the age groups and industries affected by labor direction. In addition, the trade union movement has accepted the continuance of arbitration in industrial disputes. Apart from these basic controls, the government is intervening in appropriate cases to help industries towards improvements in wages and working conditions which are necessary for the attraction of new labor. The Evershed Commission on cotton spinning wages, an inquiry into amenities and conditions in iron foundries, and a commission of inquiry on dock wages are examples of this policy. The coal-mining industry, now passing into public owner-

ship, stands in need of special treatment, and the appointment of a National Recruitment Officer, together with discussions on the proposed "Miners' Charter" are among the steps taken to assist recruitment in this industry.

There has been considerable discussion of the need for a government "national wages policy," and proposals have been advanced for a degree of state guidance in the settlement of claims for increased wages in individual industries. Such intervention, it is suggested, is essential both to stabilize wage costs and to give understaffed industries the attraction of wages above average levels. British Labor, however, has rejected these proposals, which are impracticable for the existing economy. The government will, however, through its statistical publications and the working of the arbitration machinery, make available to both parties the economic facts involved in negotiations on wages and hours.

Extraordinary measures for the recruitment of manpower remain the province of the government. Prisoners-of-war are being employed in agriculture, brickmaking, and other undermanned industries and services. A special appeal is being made to married women, and to men and women of pensionable age to remain in industry; special tax concessions are being granted to the first category, and an inducement is offered to pensioners in the form of increased pensions for deferred retirement. Vocational retraining schemes, and the payment of transfer grants are among measures designed to increase industrial mobility. In a special category come the steps taken to implement the 1944 Disabled Persons Employment Act, providing for the compulsory employment of a quota from the register of men and women disabled in war service or industry. Finally, British Labor has opened a national production campaign to counteract the effects of "austerity" and the inevitable reaction from the war years. The trade union movement is fully participating in this campaign, and has modified its working-week policy to allow for the general realization of a forty-hour week in two stages. Industrial disputes have been on a strikingly small scale, compared with 1918-1919 experience—a tribute to the part played by the trade unions.

Policy for Industry

British industry during the war years was subject to a large degree of state planning. In certain key industries—rail transport, shipping, coal

mining and long distance road haulage—government and private enterprise shared management through forms of "dual control." The government became almost the sole purchaser in munitions industries, and state buying departments in effect dictated policy. In other industries, controls of different types were created where required—control of manufacture, control of disposal and acquisition, control of prices, and controls over the location of new factories. British Labor has taken power to continue these controls under the 1945 Supplies and Services (Transitional Powers) Act. Many of them, however, are now redundant and are being withdrawn. Those which remain include restrictions on the manufacture of luxury consumer goods, control of retail prices, control of raw material prices, restrictions on disposal and acquisition of certain scarce raw materials, plant and industrial products, and the shipping controls. In addition "dual control" still operates in rail transport, road haulage, iron and steel, and coal mining, pending their transfer to public ownership.

These industrial controls will be employed to secure a smooth and rapid reconversion, and to assist in the export drive. British Labor, however, is aiming at the far greater achievement of a rapid and considerable increase in the efficiency of the nation's industries and services. Different techniques will be needed for the realization of this major aim. In certain industries, for example, augmented efficiency is vital for the well-being of the remainder of the economy. But here private enterprise has given ample evidence of its total unwillingness to carry out urgent technical reorganization, and has proved that its interest lies solely in the exploitation of quasi-monopoly powers. In most cases, private enterprise can no longer raise unaided the capital required for re-equipment; in some of them, state intervention and assistance have already proved necessary. In the majority of cases, a measure of central direction of policy has been established. Labor considers that the transfer to public ownership is both essential and appropriate for these industries, comprising the fuel and power group (coal, gas and electricity), the transport group (rail, road, air, canals, and docks), and the iron and steel industry.

The necessary steps for the socialization of these industries are now being taken. A measure for the socialization of the coal industry is passing through its final legislative stages, and another bill to place civil aviation under public ownership has been published. In addition, there is a bill

to socialize the communications concern of Cables and Wireless, Ltd., introduced to implement the recommendations of the 1945 Imperial Communications Conference. The Coal Bill provides for the creation of a National Coal Board to acquire the industry and certain by-product plants. Private owners will be compensated by the issue of government stock; the amount of stock will be determined by multiplying a number of years' purchase by the net annual revenue that private enterprise might reasonably earn in the future if the mines were left in their hands. The personnel of the new coal board includes prominent mining engineers and industrialists, experts in finance and marketing, a scientist, and distinguished trade unionists. The board will in all probability establish a subsidiary regional organization. It will not be subject to day-to-day government interference, but may be given direction by the government in matters affecting the national interest. This power will enable the government to fit the board's activities into the national economic plan. The board will function as an independent financial unit, but will make payments to the government towards interest on compensation stock, and on the sums (up to £150,000,000 in the first five years) to be advanced by the government for capital re-equipment. The board is required to balance its accounts over an average of good and bad years. Special machinery for consumer protection is also contained in the bill.

The Civil Aviation Bill similarly favors the public corporation as the most suitable form of state ownership. But here there are to be three corporations, each entrusted with specific services. These corporations will raise their own capital (which may be guaranteed by the state), and may receive financial assistance from the government during the initial period. Compensation will be paid for physical assets taken over from private companies, and for airports taken over by the Ministry of Civil Aviation. The public corporations will have the maximum freedom in the operation of these services, but a residuary power of direction in the public interest lies with the government. The proposals for the socialization of rail transport, gas and electricity, road passenger transport, long-distance road haulage, canals and docks, and a considerable section of the iron and steel industry are still under consideration. When published, these measures may show important variations in the types of public ownership devised, and some interesting experiments in area decentralization may be included.

Increased efficiency is elsewhere being sought through a different technique. "Working parties" are in process of formation in all the major industries. These tripartite commissions consist of employers, trade unionists and government-appointed technicians and experts in equal proportion, with an independent chairman. Their task is to examine in detail the structure of the industry and the steps needed to improve its efficiency, and to make recommendations to the government for further action. Organizations of less ambitious scope have been set up in the motor and machine tool industries as an interim measure. Such action is supplemented by other government aids towards the reinvigoration of British industry. These include a National Efficiency Advisory Service, which is now beginning work, and state help for the creation of an Institute of Business Management. British Labor is also preparing legislation to deal with monopolistic practices in industry.

Another facet of Labor's industrial policy is the help being given to the former "special areas" in Scotland, Wales, and Northwest and Northeast England. These areas, now renamed "Development Areas," have long suffered from dependence for employment on the depressed heavy industries. The 1945 Distribution of Industry Act is being utilized by Labor to diversify the industrial structure of these areas, and to introduce new light industries. Some fifteen new trading estates are under construction; former government factories are being allocated to private enterprise, and considerable success is being realized in inducing manufacturers to establish their new plants in the Development Areas.

Policy for Trade

Britain's wartime export and import controls have now been adjusted to the needs of a peacetime economy. Export control applies only to raw materials and certain manufactured goods which are in short supply. The balance of payments position requires more use of import controls, but even here there is now a degree of relaxation, and a proportion of luxury imports are being admitted to alleviate the effects of "austerity." Of the import bulk purchase arrangements, the raw cotton scheme will be permanently retained; but the question is still under consideration in other commodities, where such a step may not always be appropriate.

Britain's export drive aims at the target of a 50-75 per cent increase in volume over 1938 levels, and it is planned to reach the 1938 monthly

volume by the end of this year. This means that some 25 per cent of manufactured goods must be exported, compared with 15 per cent before the war. The makeup of exports requires careful planning. The coal industry , for example, is no longer in a position to make any great contribution, and in addition, sufficient consumer goods must be retained for the home market to maintain production incentives. Controls and the continuance of the purchase tax give the government a degree of leverage on private enterprise, and export targets have been negotiated for all important industries. These targets range from 71 per cent of textile machinery output, 65 per cent of internal-combusion engines, and 50 per cent of cars, cycles and radios to 25 per cent of cotton yarn, 16 per cent of cotton piece goods, and 13 per cent of wool piece goods. A proportion of exports is being directed to specific markets—textiles, for example, to Indo-China—to give an incentive for the export of rice to neighboring countries.

Important steps are being taken to assist British exporters. The commercial diplomatic services have been reorganized and considerably strengthened; and the Board of Trade's regional organization for industry now includes special export officers. The scope of the State Export Guarantees Department was extended by legislation in 1945, and it is providing substantial insurance-covered facilities for exporters. Government recognition and assistance is granted to over 260 export groups and subgroups organized in industry for co-operative action. The Board of Trade is working closely with the recently created British Export Trade Research Organization, and help is being given in the organization of this year's National Design Exhibition and the 1951 International Exhibition in London.

If Britain is to achieve the planned export program, a very substantial expansion in international trade as a whole is required. The success of such ventures as the International Monetary Fund, the Reconstruction Bank, and the International Conference on Trade and Employment are thus an indispensable preliminary to Britain's own success. The necessary consultations with trade organizations for the International Conference are now being arranged. Meantime Britain is making a significant contribution towards raising the standards of life in undeveloped areas through the £120,000,000 Colonial Development Fund, and an interest-free loan of £80,000,000 to Burma.

Policy for Agriculture

British Labor's agricultural program takes into account the changes of the wartime period, and is adapted to fulfill the requirements temporarily imposed by the present world food shortage. The world situation inevitably distorts policy in the transitional period. But the long-term objectives are to increase efficiency and to give adequate security to the industry. The principle of assured markets and stable guaranteed prices for principal products will be maintained. Once the world shortages are over, direction of crops will be given only in a minimum number of cases, where the public interest requires it. In developing efficiency, the government will work through county agricultural committees, a land commission, and a national advisory service. The county committees, developed from wartime organizations, will consist of representatives of the sections of the industry, together with a chairman and independent members appointed by the government. They will carry out a variety of functions, including the supervision of properties which are suffering from neglect and bad management by farmers or landowners. In certain cases, when no improvement is shown under supervision, such properties may be taken over by the government, after reference to an independent tribunal and payment of compensation. A land commission will work these properties, together with land acquired by voluntary negotiation, and other land where public ownership is essential to full production. A national advisory service to help county committees and farmers is now being created with an extensive area, county and district organization. Detailed reviews of existing systems of marketing and distribution will be carried out by the Ministry of Agriculture together with the Ministry of Food (which has been placed on a permanent footing).

Progress is also being made in the rehabilitation of the fishing industry, which suffered serious dislocation during the war years. The prewar marketing schemes are being resuscitated and revised, together with provision for re-equipment loans and grants. An ambitious development program is planned for afforestation, an additional responsibility of the Ministry of Agriculture. Expenditure of some £20,000,000 is envisaged for the first half of the ten-year year afforestation program. The government will also provide financial help to owners of private woodlands who

accept a degree of supervision, and it will take powers of acquiring compulsory woodlands which are ill-managed.

Policy for Housing

Public authorities will be responsible for the greater part of Britain's rehousing program. This decision was inevitable in the existing situation, and was not the product of doctrinaire or rule-of-thumb methods. Private enterprise in Britain has always concentrated on the provision of the more profitable houses for sale or houses of a high rentable value. Current demand, however, is for houses of low rent types, which private enterprise is not anxious to build, and which it cannot build without a large state subsidy. Such subsidies to private enterprise have in the past proved open to grave disadvantages. In addition, public authorities are in a position to borrow at rates cheaper than those generally obtainable by private enterprise; only public authorities, too, can combine town and country planning needs with those of housing; and serious difficulties in applying essential materials and labor controls must inevitably arise where building is the responsibility of great numbers of private contractors, and subcontractors.

Labor's housing drive comprises both temporary housing and permanent housing programs. Some 165,000 temporary prefabricated homes of different types have been allocated to local authorities. These are being built to the order of the Ministry of Works, and will be handed over to local authorities who are responsible for acquiring and preparing sites, and letting and managing the houses. By the end of the first quarter of 1946 over 21,000 of these houses had been built, and the weekly rate of completion had risen to over 1,100. The permanent building program is on a much larger scale, and necessitates the building of 4,000,000 houses by 1957. Local authorities and special housing associations will build the great majority of these houses, largely through existing private contractors. Generous subsidies to local authorities have been provided, but a reduction in the rates of subsidy is envisaged when building costs decline. Apart from houses to rent, private enterprise will continue to build houses for sale on license from local authorities, and up to a given maximum cost per house; and local authorities will have power to make loans to purchasers of such houses. In exercising license powers, local authorities are required to adopt a general ratio of four rentable houses

to one house for sale. The operations of the Ministry of Works will supplement those of local authorities and private enterprise. The ministry is responsible for programming of materials and manpower requirements; it will carry out bulk purchase of a wide variety of fitting and components, and will establish a special distributive organization; it will, where necessary, carry out direct building and organize flying building squads to assist particular areas; and it will be responsible for experimental work on prefabricated houses, their supply and erection.

The permanent building program will get more fully under way during the latter part of 1946. Meanwhile, during the preparatory planning stages, building resources have been employed in repairs to war-damaged houses, rebuilding of war-destroyed homes, the conversion of houses to flats, and the temporary housing program. Local authorities have been granted more effective powers to requisition empty houses, and legislation to permit speedier acquisition of land is before Parliament. Wartime control over rents has been preserved, and there has been an extension to cover rents of furnished accommodation.

* * *

Britain's Labor government has held office for less than twelve months. The effects of many of its measures are only now coming into view, and the planning stage is uncompleted in certain cases. No assessment of the success of its economic policy is yet possible. But the confidence, energy, and resource with which Labor is facing difficulties unprecedented in British history, must be apparent to the fair-minded observer. The policy pursued is informed with a democratic and socialist purpose. But it is in no way a doctrinaire policy, and there is no belief in "control for controls' sake," or "socialization for the sake of socialism." The policy is an answer to both the current and the long-term economic problems of Britain, devised by socialists and democrats who have drawn freely on the lessons learned from wartime coalition experience. Much still remains to be done, but Labor's progress to date has cheered its supporters, surprised progressives outside the party, and disagreeably confounded its opponents.

BRITISH FOREIGN POLICY

By P. C. GORDON WALKER

Principles

Above all forms of politics, foreign policy is the art of the possible. Principles, where they exist, have to be applied to particular and often very hard cases: sometimes principles get a bit twisted in the process. I doubt if any foreign minister of any country, if he is a good man, can ever be wholly happy. Moreover the world is not only a wicked, but a very difficult place, full of contradictory and unpredictable people. I doubt if there is any one sovereign principle that can lighten the dark ways of international relations.

Certainly there is no single principle underlying British foreign policy. That, perhaps, is one of the reasons why there is some misgiving among those who hoped that the advent of a British Labor government to power would not only bring with it, in a flash, a "good" foreign policy, but also one that would be simple to understand.

There are, I believe, principles guiding Britain's foreign policy—and principles in the best sense of the word, high principles: but there is no single, unifying principle. And certainly Britain's foreign policy, even under a Labor government, cannot ever be simple.

One thing that may have disappointed friendly observers is the absence of "gestures" by Britain. Gestures to demonstrate an attitude are much liked by those who are shouting directions and encouragement from the sidelines: they are less liked by those who are actually in the game. When British Labor was in opposition it more than once demanded a gesture or a token. But we have seen something of gestures and of the way they almost infallibly achieve the wrong result. Gestures did not work well against Mussolini. We have not been impressed by the results of gestures in Latin America. It can be taken for granted that there will be no empty gestures from this British government towards Franco or anyone else. Anything that is done or attempted will be real and earnest.

There is one other preliminary general observation I would like to make: No country can have an "international policy." An "international

foreign policy" is a contradiction in terms. Only the world, or an organization of many nations with effective power, can have an international policy. Every particular country, for good or ill, must have a national policy: it may be a good or a bad policy, it may regard or disregard other countries, it may advance or impede the UN, but it must be a foreign policy that falls within the capacity and the interests of a given country.

In particular terms, the foreign policy of a British Labor government must inevitably be a British policy. Like any other country under whatever government, British foreign policy will be guided by British interests or principles (whichever term you prefer).

This leads to what is perhaps the most vexed of all questions about future British foreign policy: *Is it a continuation of old "imperialist" British policy?*

Let me say straightway that in certain respects it is. And must be. Britain is still the same distance from Europe and America as it was under a Conservative government. Britain is still a world power with bases and sea-water that hold it together. (But the most important of these, through the Mediterranean and the Middle East now link a Socialist Britain with a Socialist Australia and New Zealand.)

These are given facts that a change of government cannot change, any more than it can change the location of London or the British character. And these given facts do give a certain continuity of foreign policy. They do not of course tell the whole tale. The given facts and the given power can, of course, be used towards very different ends—and among the interests of the present British government are many that are new and which would be changed again if a Conservative government came to power. I will say more about this in a moment.

But first I want to come back to the fact that Britain is a world power. It is obvious that Britain is not relatively so powerful as it was in the nineteenth century. America and Russia have both grown enormously in power: America far more so than Russia. But it would be a grave mistake to underrate Britain's power: the world commonly does so between wars and this miscalculation has been one of the reasons of recent wars. Britain's power in the future may well be moral as well as material: but moral power can be very real, as the Germans learned when they tried to govern a conquered Europe that adhered morally to Britain.

But be that as it may and granting that Britain is no longer the greatest power, it still remains that Britain is the only world power—the only power with interests and connections in practically every corner and crevice of the earth. America is more involved in the world than it has ever been before, but it is not yet a world power in the sense that Britain is. You have only to think of the cases and places where Britain is topically involved and in the limelight—Palestine, Greece, Indonesia, India, Egypt, Spain, Germany, Austria, Italy, the Far East. This is the measure of the width of British connections. Our interests are not so widespread as they once were. America has largely taken our place in China: we accept this without rancor and with genuine tolerance we watch things, which if we had done them, would have evoked the doubts if not the rebukes of our friends in other lands.

Now one important consequence of this is that Britain is acutely interested in events wherever they may happen. Britain knows, not as a platform platitude but from everyday experience, that the whole world is one: that trouble in any part may have repercussions at the other ends of the earth. That is why we have learned to face facts and develop great foresight: it has also made us the power that is most concerned with *practical* peace, with the actual anticipation and settlement of any trouble that may plague the world anywhere.

Our interest in practical peace has been sharpened by the discovery of nuclear energy. For not only are we the center of a world power—but we are a very small country. Whatever Operation Crossroads may reveal (Have you heard of the disappointment of the British Member of Parliament when he discovered that he had been misreading "animals" for "admirals" among the victims of the great atomic experiment?)—whatever Operation Crossroads may reveal, one thing is already certain: little countries won't survive in an atomic war. Britain knows that in a world at war it will go down: we think that in a world at peace we will flourish.

Seven National Interests

What about the new principles in British foreign policy? I would say that they were these:

1. *A fervent determination to make the UN work* (not with gestures but as a real thing). Ernest Bevin has given instructions to all the servants of British foreign policy to direct all their actions to this end.

2. *To support the cause of democracy.* Of course this policy can only be applied where democracy is a real possibility—and that is over a relatively small part of the earth's surface. It was one of the illusions of the fathers of democracy on both sides of the Atlantic that democracy was so easy and attractive that it would rapidly spread across the planet. In our day we have discovered that democracy is not easy and often unattractive. We have had the chastening experience of seeing whole peoples, even Western peoples, flee from liberty and embrace a dictatorship that absolved them from the appalling responsibilities of freedom. That happened in Germany: it may yet happen in France and other countries. In the nineteenth century we also tended to confuse "national freedom" with "democracy." In fact they may be in opposition. It is a question whether it was a mere coincidence that Germany and Italy, the two countries that acquired their national freedom and unity in the nineteenth century, were the fascist countries of the twentieth century. It may be that China and India when they achieve national freedom will also achieve freedom: the odds are that they will evolve very dictatorial and nationalistic regimes.

So when we say we support the cause of democracy, we mean the words precisely. Because we realize the limited geographical extent of democracy we value it all the more and put it all the higher among our national interests.

3. *To support national freedom.* Though we do not confuse this with democracy and realize that it may often be in conflict with democracy, we none the less recognize it as an end that is both desirable and increasingly inevitable. Of course we can do more in this field where we have sole control than we can in fields where our influence is shared with others and where (as in China) it is relatively much less than the control of other nations. We are even prepared to be rather high-handed and expose ourselves to misunderstanding to advance self-government where we have direct responsibility. For example we have rather brusquely swept away the feudal rights of Malay chieftains in order to regroup our Malay colonies into a unit that can progress towards self-government. We have recently granted a good measure of self-government to Jamaica, in spite of the resistance of those who were in power under the previous constitution. We are restoring self-government in

Newfoundland. We are spending, without return, £120,000,000 in our colonies in the next ten years: one of the conditions for receiving a grant is that the colony has or introduces advanced labor legislation, including recognition of trade unions.

4. *To support the common people.* This too we distinguish from the support of democracy—at least in many parts of the world. There is no early prospect of the inhabitants of most of the Middle East either adhering to, or even understanding, democracy. But it is possible to attempt to see that the common people here enjoy to a greater extent the benefits of trade with Britain, instead of their sheiks and chieftains. Here too instructions have gone out to all the servants of British foreign policy in the area—instructions such as have never been given before.

5. *To give the world an example.* We are conscious that we are at home embarked upon a new and great experiment—the experiment of combining freedom and planning. The success of this experiment will enormously add to our strength for it will lead men all over the world to cleave to us, to wish us well and even to help us.

There is of course a reverse side to this picture. We cannot ignore that the success of our experiment will demonstrate to the world that neither the American nor the Russian way of life is the best possible this side of paradise. In the past, in very different ways, America and Russia have claimed the spiritual allegiance of men in distant lands. Legends have grown up that have (like all persistent legends) been grounded in reality. In the meanwhile a similar legend has persisted about British imperialism. It is to be noted that (in their different ways) both America and Russia are with energy and determination insisting that the new Britain is still just as imperialist as the old. This may be so: but no wise man is ever too dogmatic about all the motives of his own thought. It is arguable that the more Britain departs from its imperialist past and effectively asserts its claim to the moral leadership of the world, the greater the subconscious interest of Russians and of (at least progressive) Americans to keep the old picture before the world.

6. *To be friends with Russia and America.* This is of course a prime aim of the British foreign policy and is part of our policy of supporting the UN to the limit: but part only. For support of the UN means also a recognition of the rights and contributions of smaller nations.

Relations with Russia and America are the critical and complex part of British foreign policy. Our policy would be the easier to understand and to carry out, if only these relations could be easier. Not only is the problem a complex one if Britain's relations are regarded with either of these great powers alone: but the relations with each react upon the other.

We are determined to fashion and pursue a policy of friendship in both directions—but we do not confuse objectives: America and Russia are poles apart. If we have to keep our friendship in repair we realize that we are dealing with very different sorts of friends.

If I put it like this there is some danger of misunderstanding, but it is perhaps as good a way as any: with America our friendship is natural —with Russia it is artificial, and for that reason demands all the more energy to attain and maintain. I must hasten to elaborate this. First positively: America like ourselves is a democracy and the same sort of democracy, based on the same ideals and concepts of human and legal rights: America and we speak the same language: America and we are both sea-powers and float in many of the same oceans. There is something here that you can almost call relationship rather than friendship. Russia on the other hand has not only a language but also a democracy that needs a lot of learning before we can understand it: and Russia is a land power. Whales and elephants have always found it difficult to get on to the same footing. This part of the argument could be put thus: Anglo-American friendship should never be embodied in precise treaties, but in tacit understandings. We should conduct our relations with each other in the way each of us at home manages his own constitution. With Russia, on the other hand, British friendship must be embodied in an alliance and treaty of friendship.

Perhaps a statement of the converse of what I mean will add precision. The danger we run with America is that we may become the forty-ninth state: the danger we run with Russia is appeasement.

British Labor is determined to avoid both these dangers. When we say "friendship" we mean friendship—a relationship between equals to which each contributes. This is perhaps one of the clearest points in which British Labor foreign policy differs from Conservative. The Conservatives would be far readier to subordinate British interests to American. Winston Churchill said as much in the House of Commons debate on the American credit to Britain, when he expressed his conviction that a

Conservative government would have got better terms. In the same way, I believe, that—despite loud words—the Conservatives would be far readier to appease Russia. Conservatives after all think first of conserving: they are naturally inclined (at least in their old age) to husband rather than to use resources.

If you want to put it in a paradox you can say that a British Labor government is much more concerned with the vigor and survival of the Empire than would be a Conservative government. Labor believes that countries should act up to the full responsibilities of the powers that are theirs: they should act as far as may be in the common interest and considerately, but they should act. We set this standard for the other powers besides ourselves: and in particular for America.

Perhaps I may be allowed to quote a passage from a speech I made in the House of Commons on November 7, 1945. One reason why I seek this permission is to show that I am prepared to say these things aloud to my own countrymen and not to confine them to an article intended for American eyes. This is what I said:

> Of the many great dangers facing the world today I am not sure that a recrudescence of American isolationism is not one of the gravest. That point needs to be stressed, because the danger tends to be obscured by the fears aroused in some quarters by every activity of America outside its own borders. This is a matter on which it is important to be logical. The people who cry out against the isolationists and damn them as reactionaries are the same people who decry American participation in the world and describe it as "imperialist."
>
> We cannot have it both ways. If we want, as I believe we should, and as would be in the national interest, to see a complete abandonment of American isolationism, we want more American participation in the world. . . . Of course America may abuse its powers: in all power there is the possibility of abuse—but it seems to me that the abuse of power is not the only danger inherent in power. *Power which is not accepted by those who in fact possess it, is as dangerous as power that is abused by those who possess it.* What I mean is this: America is in fact a great power, and even if it withdraws from the affairs of the world, all the other countries in the world are going to reckon on America's potential power. If America withdraws from the world, that means that the world will be in a constant state of dangerous and incalculable disequilibrium. It means that the world is, so to speak, running on three cylinders, and the fourth cylinder may at any moment turn out to be an atom bomb.

In other words, in my view, we want a friendship with America based on mutual activity and recognition of the obligations of power. Increas-

ingly we want this power to subserve the UN: but we want it to be a real power.

At the moment, the main issue is the American credit to Britain—which will probably have been settled one way or the other before this appears in print. The reason why we want this credit is not to better our immediate standard of living—the loan would not do this for us, though it would prevent a very grave worsening of our conditions: the reason is that we may the more quickly get back to our full and active participation in the world. Should this credit not be granted, we will still get back to our due position in the world, but rather more slowly and much more arduously: and in the process we shall have had to shift the channels of our trade in a way that one friend would not wish to do towards another friend.

As I am dealing here with our relations with America I might mention one further point of difficulty—namely our relations with our empire. These are not easy to understand and indeed are not completely to be explained in intelligible terms—for they do not rest solely upon considerations of reason and interest. It may be that Americans find these relations as hard to understand as many of us on this side find American party politics hard to comprehend—though doubtless to an American they are as natural as scarcely to seem to need exposition.

A broad distinction in our empire can be drawn between dominions and colonies. That dominions are free is proved by the right exercised by Eire to stay out of the war. That the dominions are far more intimately tied to us than any foreign sovereign state is shown by the way all the other dominions stood by us in the war, declaring war alongside us, even before they knew the full state of the facts.

The colonies certainly are not free and sovereign—though no one has yet succeeded in finding a definition that covers all the colonies—for they are in every state of freedom (or if you prefer, servitude) from complete dependence to the verge of self-government. There is also a constant move towards self-government. I have mentioned Jamaica already. There is also the case of India. There will be no gesture here, but real hard conveyance of the title deeds of independence. And "hard" may be the right word: for India is uncomfortably near civil war and may be headed for autocratic and dictatorial rule imposed by Indians upon Indians.

One difficulty about our colonial empire is that we do respect the degree of independence achieved by each colony: we are very reluctant to interfere. The consequence often is that those with local power are more reactionary and backward than we would like to be. The color-bar in many colonies, for instance, is imposed locally. But it is not always a case of misrule by the whites on the spot. At the moment in Jamaica the first fruits of a great advance in self-government has been dictatorial rule —almost mob rule—by the dominant party of Negroes under Bustamente. What should we do? Should we revoke self-government and re-establish liberty or should we permit liberty and misrule? It is unfortunate but often true, that independence and liberty come into conflict. In fact we prefer self-government, trusting that wisdom will come with experience. We have made fairly generous money grants to help the new Jamaican government.

What about Empire Preference? How can we claim that our dominions are free and independent and should have votes at the UN and at the same time grant them mutual preferences that we would grant no other sovereign state? It is not a complete answer but it is an answer to point out that this is not so much the position put forward by us as by the dominions themselves. You have only to ask them.

Preference towards the colonies is certainly our own affair. We could of course substitute for preference a single tariff wall around the whole colonial empire (and the dominions or some of them might choose to come within it). We would then create a single, unified free-trade area like America, with each colony having somewhat the same powers as the states. This would be a far greater impediment to world trade than colonial preferences (which are not wholly impediments).

In any case we have declared that we are ready to trade a reduction or complete abrogation of imperial preference against equivalent reductions of the American tariff. But when we say "we" we mean the dominions too, for they fully agree to all arrangements that are made.

As regards Russia, our position can be summed up simply. We will make a stand when it is necessary and possible—where, that is, a principle is at stake, and our interests (as defined above) are involved and where it is possible. But we will always make a stand in such a way as to leave the paths of friendship open. We mean it when we offer our friendship

for 50 years instead of 20. We will never block the way to compromise and solution.

Nor will we ever do anything to justify Russia's real but imaginary fears of aggression from the West. Russia has a right, if she wishes, to military security. But there are two limitations.

(a) Security is avaricious: each new factor of security demands yet another to make it, too, secure. Clearly the world cannot recognize a policy of indivisible security.

(b) Security can be disruptive: it can seek its ends by weakening others as well as by adding to its own strength. We have to take into account the observed facts that all over the world Russian-controlled propaganda is directed against Britain (but hardly ever against America) and that everywhere communist parties pursue policies that are as embarrassing as possible to Britain. In Greece, India, Germany, France, Italy. Indeed for the first time two communist parties are pursuing contradictory lines—the communist movement as a whole preferring the harrassing of Britain to a correct world-wide line. The French communists are demanding the severing of the Ruhr from Germany, the German communists its retention. Neither the offer of 50 years' friendship nor the cabinet mission to India have been reported in Russia.

These are facts that make the pursuit of friendship somewhat arduous: but we will retain friendship with Russia in the forefront of our aims. We believe friendship will be stronger if it is based on hard fact and on the demonstration that social democrats are not scared children, incompetent old men, or lacqueys or lickspittles of capitalism.

7. *Food and Dollars.* There are two further complicating factors which we never dare forget and which sometimes make our foreign policy somewhat devious. The first is the world food famine. We give this very nearly top priority. The famine must be broken: and if it comes to a choice, the politics of a particular country matter less for a year or two than the contribution it can make to the world's food supplies. Incidentally we know that democracy demands fairly full stomachs. To support democracy in a hungry world approaches being a contradiction in terms.

The second is our need for gold and dollars. We have scanty reserves, much depleted by what we have given to UNRRA. Every problem has to

be looked at in the light of this need. For instance we had to count the cost in dollars of postponing the Greek elections.

Particular Problems

Now I must say a word about the application of these guiding principles to particular problems. I should like to make two preliminary points:

(a) It is clear that the principles that I have set out are not all compatible. They have to be applied as reasonably and fairly as possible and always within the limits of the possible. It is no good having the best principles in the world if you can do nothing about them. We may have views on Poland and on China—but we recognize that we have very limited power of action. Where we have little responsibility we prefer on the whole to keep our mouths shut.

(b) Criticisms of our policy are to be welcomed. We are constantly aware that we are acting in the full glare of publicity. All we ask is that criticism should be accompanied by a readiness to help. If, for instance, we are urged to embark on policies that may cost the lives of British soldiers we would like to know how many soldiers of its own the country making the criticism would at a pinch be prepared to sacrifice too.

* * *

Palestine. By the time these words are read the Anglo-American Committee will doubtless have reported. So there is little I can say now except to express our joy that America is now sharing with us in the tackling of this intractable problem. I only hope that the criticism and advice that will be showered upon us whatever we do will be accompanied by proposals about the number of troops that should be provided by the countries of the critics to carry out a different policy.

Greece. With the help of Americans (and French) observers the first fairly fair elections in Greece's history have been carried out. The outcome is not any more wholly pleasing to us than is, I suppose, the outcome of the Argentine elections to the United States. But if it is suggested that Greek politics should be permanently conducted from London, this should be made clear. One reason for our insistence upon the holding of the Greek elections was so that we could withdraw our troops as early

as possible, partly as a contribution to the early withdrawal of all troops from Europe (apart from Germany).

Indonesia. Here we had an unfortunate task imposed upon us by the Allies. We have used this position to bring very heavy pressure to bear on the Dutch government to grant a considerable measure of independence to the Indonesians, which is now in process of being realized by Dutch-Indonesian negotiations.

India. Self-government will be granted in India—including the right, possessed by every dominion, to secede from the Empire. As I have already indicated this is a case where we prefer the principle of national independence to the principle of democracy (which would have had a better chance of steady growth under continued British rule).

Middle East. This is at once a route to India and Australia and New Zealand and (as America has discovered) a vital source of oil. It is an area, as Britain has known for centuries, that can determine the peace of the world and the outcome of wars. It is an area where great powers have conflicting interests. Here, above all, workable and permanent compromises must be worked out. And here we must try and get the goods to the common people—for democracy is hardly a marketable commodity outside Palestine. Totalitarian one-party rule will attract the bids. Democracy cannot win out by example but only by delivering the goods. In Egypt negotiations have opened to revise the Anglo-Egyptian Treaty; British troops have begun to withdraw. Besides national independence, the internationally important Suez Canal has to be considered. I would like to see it, together with other vital links and bases all over the world, placed under the effective rule of the UN.

Spain. Gestures won't work here. Evidence shows that the last gesture, initiated by France, unified and strengthened Franco's position. Words without deeds are a boomerang artillery. Nor are deeds so easy to work out. I leave aside the point that economic sanctions would fall almost exclusively upon Britain: the further point remains that such sanctions would relatively strengthen the army and police (who get preferential rations) compared with the republican workers. Franco must go; but we prefer methods that weaken him to those that strengthen him. Incidentally we have observed the factors that led to Peron's democratic

victory in Argentine: and there is little doubt that Peron's victory has also strengthened Franco.

Critical Friends

Perhaps I have said enough. Too much? I can imagine I have annoyed friendly critics. I quite agree if anyone retorts that I have given explanations rather than justifications. I wish as much as anyone that our Labor government could do everything, regardless of ultimate consequences. Although I agree with my government's foreign policy and am prepared to defend it anywhere, even among our most bitter friends—I do not pretend to be happy. If I were an American drawing on the great reservoir of feeling against the British Empire my doubts would probably find vent in disappointed expostulation.

I can imagine a sharp reaction to some of the terms I have used. Should, for instance, a Labor government have "national interests"? I have done my best to show what these national interests are, and that many of them are new and the particular contribution of the Labor government.

I can imagine impatience at the failure of a diplomatic revolution to materialize. But foreign policy is a field where patience has to be demanded of the onlooker no less than the participant. There are few fields of action in which we are not dependent upon the consent and co-operation of others: very few fields in which we are not dependent upon the consent and co-operation of America (and long may this be so).

I, for one, am prepared to abide the test of time—and to come back and ask Americans their opinion again in five years from now.

May 22, 1946

Postscript: The Paris Conference

Since writing the above, the Paris Conference has come and gone. It has brought into sharp focus the problems of the European Peace Settlement; it may be of use (at the cost of some slight repetition) to examine Labor's attitude to these concrete problems.

But I must say straightaway that there is no clear and precise answer to the question, *What is Labor's position?* And this for two reasons: 1) We have here to deal with extremely complex, fluid, and sometimes con-

flicting problems; the attitude of other countries has constantly to be borne in mind or calculated. Broad aims and principles you can certainly have, but a firm and fixed policy worked out ahead in detail—that's an impossibility. 2) The Labor Movement itself has varying and changing views on these matters; it's fair enough to speak of trends and tendencies of opinion, but it would be hardly accurate to talk in terms of clear-cut attitudes and policies.

Let me then try, first, to sort out the broad principles with which Labor approaches the problems of the defeated countries and of the general settlement of Europe.

Two principles, I think, stand out:

1) To preserve, support, and encourage democracy wherever this has a real chance of functioning; and

11) To avoid a hard division of the Continent into two rival blocs or spheres of influence.

Now, these principles are clear enough, but unfortunately it is not easy to pursue them both simultaneously.

Eastern Europe has in effect already become an exclusive sphere of Soviet influence. The exact limits of this sphere are not yet fixed and this underlies much of the present negotiation between the great powers. In particular the social destiny of Germany and Austria are still in issue, as is the future of Trieste, the proposed southern anchor of the iron curtain. Labor is, with few exceptions, eager that the disputed areas shall not fall under exclusive Soviet domination; but the fact is accepted as a fact that much of Eastern Europe is outside the reach of effective Western influence.

On the other hand there is a strong (but not universal) feeling in Labor circles in favor of some close association between the Western democracies. This is not thought of in terms of a bloc or military alliance; but rather in terms of economics and similarity of social system. Nor is it thought of in exclusively European terms; the aim would be, if possible, to include the democratic dominions and the transatlantic democracies. Nonetheless, the key to this problem lies in Europe. And, here again, as a matter of fact, we have in the main to deal with a geographic concentration: democracy as we understand it is a workable system mainly in the West. Labor agrees with Ernest Bevin when he says that we too

have the right to have good neighbors in *our* street; but we realize that if we press this idea too precipitately and too precisely we may increase the danger of dividing Europe into rival blocs, whatever our own intentions.

We have also to take into account that the division into Western and Eastern democracy in Europe, though substantially true, is not a neat and tidy division. On the one hand there are countries like Norway which, though in every sense Western democracies, might well hesitate about offending Russia; and countries like France that may yet have a communist government or a communist party strong enough to prohibit certain lines of foreign policy. On the other hand there are bastions and outposts of Western democracy in Southern and Southeastern Europe.

In practice, therefore, two connected but distinct problems tend to get tied up with one another: the problem of Eastern and Western associations; and the problem of the conflict between socialists and communists right across Europe. This latter problem is complicated by the emergence of strong Conservative parties, often with a Catholic color, and sometimes thought to be encouraged by American support.

Germany is the test here. Labor's attitude is quite clear. We support the right of the German Social Democrats to independence and, though we do not commit ourselves to support of detailed policies, we regard this party as one related to our own. This was made clear in the struggle between the socialists and communists in Berlin over the question of a fusion between the two parties. The Parliamentary Labor Party (that is, the meeting of Labor members of Parliament) sent a message of support to the Social Democrats in their struggle to maintain their independence against all sorts of pressures. I myself, after a visit to Berlin, had the opportunity to propose the sending of this message. Later the National Executive of the Labor Party as a whole sent a message of greeting and encouragement to the Hanover Conference of Social Democratic parties in the three western zones. This conflict is a continuing and growing one; it is now spreading to the British zone (fusion having been carried through in the Russian zone). There is a similar conflict starting in Austria.

As so often today, Labor is fighting on two fronts. One reason for our resistance to compulsory fusion is that it inevitably leads to the growth

of conservative parties. On the other hand, the Russians are strongly and openly backing the fusion campaigns.

Labor is not going to make the mistake of turning the German Social Democrats into a puppet British party. So far from resenting, we are inclined to welcome, the sort of criticisms levelled against some aspects of the British policy by the Hanover Conference. The chief criticism of our policy in Labor Party ranks is that it is not yet sufficiently constructive; there is a demand for a much more vigorous policy of social change in Germany and for associating the German political parties more closely in the formulation and carrying out of these policies. But before we can do this thoroughly and with a good conscience, proper elections must be carried out to determine the strength of the various parties in our zone. This is not the sort of matter you can guess about.

* * *

It is against this tangled background of ideas and facts that we approach the particular problems raised at the Paris Conference.

For instance, we want such a settlement with Italy as will encourage the development there of a vigorous democracy. We would not dream of trying to dictate the sort of democracy; but we believe that the only workable democracy on the Continent today is *social* democracy. We not want to impose on Italy such onerous terms that a reactionary nationalism would be likely to arise and sweep away any democratic government that accepted the terms. Equally we want a free and democratic Austria. But we have to take into account that the Russians are firmly in possession of the Zistersdorf oil-fields and extremely unlikely to relax their hold. Russia must also regard Austria as her lines of communication to Jugoslavia and the Mediterranean. The whole crux of the European settlement may be to find an accommodation in Austria that accepts facts, but leaves Austria truly democratic. There is considerable pessimism about the chances of finding such a solution.

Over Trieste, we have two problems mixed up. On the one hand the question of local justice: on the other, Russia's determination to consolidate a firm line from Stettin to Trieste. If Trieste becomes Jugoslav the frontier across Europe may become permanent; if it does not become Jugoslav it is very probable that sooner or later Southern Europe will open up to Western access (and incidentally to American trade). On the whole

we incline to think that local justice and Europe's ultimate benefit can be reconciled by the adoption of one of the lines of demarcation proposed by the Western powers. Between the French and the American we prefer the latter. There is a good deal of feeling in the Labor Party in favor of regarding Trieste as the natural outlet of the Danube area and of finding an international solution of its ownership.

The remaining chief European problem is Germany. Labor is, I think, increasingly coming to think that the Potsdam Agreement is the main stumbling block. If it were possible to recreate Germany as an economic unit it might just be worth setting such high reparations that Germany's economic future is in danger: even this is coming more and more into doubt, for democracy demands certain material standards. But hopes of seeing Germany again an economic unit are waning. Every practical step is vetoed by Russia. In the light of this experience the idea is gaining ground that it would be better to administer each zone separately (or preferably the three western zones together). It would at least be possible to do some rational and long-term planning. And perhaps a serious move in this direction might bring the prospect of German economic unity nearer: but it would have to be a serious move.

The future of the Ruhr and Rhineland involves us in the main with France. (The French Communists are for separation, the German Communists against.) France is very determined and is reluctant to accept guarantees instead of deeds. After the last war territorial demands were given up by the French in return for the promise of an Anglo-American guarantee of her frontier: the treaty was then rejected by the Senate. The main tendency in Labor thinking seems to be to distinguish between the soil and the economy of the Ruhr. The soil should remain under German sovereignty; the economy should be socialized and taken forever out of the hands of the Ruhr magnates: it might be internationalized. But we do not forget that without industrial exports Germany (and, all the more, Western Germany alone) cannot live. If Germany does not live, in the end the economy and democracy of Western continental Europe will be dragged down too. Therefore, we feel that Germany must benefit sufficiently from the exports of Ruhr products. Regarding control of war-capacity there is much support for an idea of Ernest Bevin's that the finishing processes should be banned. It is these processes that can so easily be turned over to war output.

We are beginning to feel in all these matters that ideal solutions are beginning to be less important than getting solutions at all, if they are tolerable. If Europe goes on much longer with no long-term settlements it will be in danger. We like the idea of appealing to the UN: but we are not at all optimistic about the UN's constitution.

In the Paris negotiations Russia's intransigence has brought us and America very close in diplomatic details. We do not regard this as likely to be permanent; for though we take friendship with America for granted, we know there are many points on which we will probably disagree. But at the moment in nearly all the points covered in the Paris negotiations, if you want to know the attitude of the Labor government, ask the State Department. This position is likely to last as long as Russia maintains its present adamant and unbudging line.

BRITAIN AND THE UNITED STATES: CO-OPERATION FOR WORLD TRADE

By KEITH HUTCHISON

AMERICAN LOANS for world reconstruction are conceived as part of the strategy of peace. The loan to Britain, it must always be remembered, is not an isolated scheme; it is rather one of a series of integrated steps which, it is hoped, will bring the world through greater prosperity to real security. Even before America entered the war, the late President Roosevelt was working on the blueprints of a new international economic order as the Atlantic Charter and the Master Lend-lease Agreement bear witness. His purpose was to design not weapons but tools—tools to clear away the obstructions that in the years before the war had been rapidly reducing the stream of world commerce to a series of stagnant pools.

In the years of the great depression nations, with the United States in the van, tried to keep jobs at home by building their tariff fences higher. When this failed even more strangling practices were developed. Some nations juggled their currencies—with Nazi Germany guided by Dr. Schacht outstripping everyone else at this game—or experimented with various forms of barter. International cartels, usually with government backing, sought to carve out exclusive markets that they could bleed white. The total result was diminishing international trade and increasing international ill-will.

It was clear to President Roosevelt that there could be neither peace nor prosperity until economic warfare was abolished. But he also realized that it was necessary to practice as well as preach. If the United States was to persuade other nations to join in returning world trade to a multilateral basis, insuring all freedom to buy and sell in the most advantageous market, it would have to be prepared to lower its own tariff walls. If it wished to see the international exchanges placed on a stable basis and the free convertibility of currencies re-established, it would be necessary to prevent the wide fluctuations in the supply of dollars that proved so dis-

turbing an influence in the interwar period. Finally it would be essential to assist war-torn countries in restoring their economic life and to make surplus American resources available for the development of backward nations.

This is the broad program which Roosevelt drafted during the war and which President Truman and his administration are now trying to implement against strong opposition. Some steps have already been taken. The Reciprocal Trade Agreements Act has been extended and broadened —an essential preliminary to any effort to secure the general reduction of trade barriers. Congress has ratified the Bretton Woods Agreement, and the World Bank and Fund are now organized and about to open their doors for business. Both have great potentialities: the Fund as an instrument for co-ordinating currency policies and for assisting countries to overcome temporary shortages of foreign exchange without resorting to internal deflation; the Bank as a source of long-term capital for large-scale productive enterprises of the kind that private investors have usually been unwilling to finance because they do not offer prospects of large and quick returns. A third step is the Anglo-American Financial Agreement which may be regarded as the king-pin of the whole program. For it provides not a handout to Britain, as so many of its opponents profess to believe, but a chance for British co-operation in the American campaign to release world trade from its present fetters. Without such co-operation that campaign is foredoomed to failure. Britain before the war was the world's largest market. Together with its Commonwealth and Empire it accounted for 26.7 per cent of the world's export trade in 1938 and 32.8 per cent of the import trade. In these circumstances the organization of a multilateral trading system is hardly conceivable unless British participation can be secured.

Why should Britain make its support of the American program dependent on receiving financial assistance? Is it blackmail or bluff?

Objective analysis of the economic problems with which Britain is confronted as the result of the war will prove to the unbiased that the answer to this question is "neither." The request for a loan is not blackmail because, unless Britain receives such aid toward meeting its balance of international payments during the next few years, it cannot abandon its trade and exchange controls without risking the collapse of sterling and national bankruptcy. It is not bluff because Britain has an alternative

to co-operation in a multilateral trade system, an alternative which, admittedly, is a *pis aller* involving many political and economic drawbacks but still one which would probably insure for Britain the minimum of foreign trade without which its existence is threatened.

II

The procurement of a large volume of imported commodities is Britain's economic categorical imperative, for imports provide its bread, butter, and jam. Even in wartime, when agriculture was plied with uneconomic stimulants, home production of food provided for little more than half of a strictly rationed consumption. Raw material resources of the island are also meager with coal the only important mineral available. British factories are, therefore, almost wholly dependent on large supplies from overseas of metals, textiles, fibers, timber, and oils. Without imports the dense population can neither be fed nor provided with jobs.

Before the war British exports sufficed to pay only a part of its annual import bill. The balance was met by net payments for shipping and financial services, by income on foreign investments, and, to a small extent, by drawing on capital accounts. Of these "invisible" items the largest, income from investments, has been sharply reduced as the result of the liquidation of British foreign investments during the war. In the immediate future only about £100 million in terms of 1938 prices, or about half the amount received in prewar years from this source, will be available for meeting the deficit on commodity account. War losses of the British merchant fleet, together with increased competition from this country, are expected to cut shipping income also, though to a lesser extent.

In financing the war Britain was forced not only to liquidate earning assets but to increase enormously its external liabilities. Drawing heavily for goods and services on such countries as India, Egypt, Palestine, Portugal, and Argentina, it gave in return promises to pay represented by sterling balances at the Bank of England. These balances, which are effectively frozen since they cannot be converted into other currencies or even used for current sterling transactions except in special circum-

stances, are estimated at around £3 billion. The locking up of so large a sum obviously restricts purchases by the debtor countries and impedes international trade, but it cannot be released since Britain is not in a position to offer at this time equivalent value either in goods or in the form of other currencies. However, the Anglo-American Financial Agreement includes a British undertaking to negotiate settlements of these sterling debts at an early date. Some part of them, it was indicated, would be written off, and of the remainder a proportion would be released immediately and made convertible into any currency; the rest would be repayable in instalments over a period of years. Since the debtor countries are mostly poor, they are not likely to be willing to scale down their claims, which represent a large part of their working capital, very far. The settlement of these debts, therefore, is certain to involve a heavy charge against British international receipts continuing, perhaps, for several decades.

Britain, then, is faced with a sharp reduction in its invisible exports accompanied by a large increase in invisible imports. Assuming commodity transactions on both sides of the account at their prewar level, the result must be a huge deficit. This can be overcome only by a vast expansion in exports, and Britain, in fact, has already embarked on an intensive campaign to achieve this end. But it has had to start with a long handicap for, in the years when it was concentrating all its energies on war production, it was forced to neglect foreign customers, and by 1944 exports had fallen to about 30 per cent of their prewar volume. By last March they had been lifted again to an annual rate of about 80 per cent of prewar, but it is estimated that they must rise to 175 per cent before the international trade budget can be balanced. This target, it is hoped, will be attained by 1949 or 1950. In the intervening period the accumulated deficit will amount to at least £1¼ million ($5 billion). This deficit cannot be met from Britain's reserves of gold and foreign exchange, which at the end of last October amounted to under $2 billion. Nor is there very much scope for reducing it by limiting imports which to a large extent consist of food and essential raw materials. This might prove an uneconomic economy, for "austerity" in consumption is already impeding recovery by lessening the incentive to work. The fact is that there is no very feasible way of covering the trade deficit, which Britain will unavoidably incur during the transition from a war to a peace

economy, except external credit. It is for just this purpose that the American loan and the parallel Canadian loan are designed.

Should the House fail to ratify the Anglo-American Financial Agreement, only one course would be open to Britain—the enlargement of the existing sterling bloc into a permanent trading system divorced from the dollar world. It could do this by extending the existing "sterling area" which already comprises the whole Empire and Commonwealth, with the exception of Canada, and most countries of the Middle East. Within this area sterling would become an international currency, but it could not be converted into dollars or other "hard" moneys. So the sterling countries would tend to trade among themselves rather than with outsiders. The force which would attract members to the group and hold it together would be the magnet of the British market, for so many countries sell more of their products to Britain than to any other customer.[1] Those reluctant to join would probably be offered as an alternative trade agreements on barter lines. For countries without other dependable markets for their staple products that would be a difficult proposition to turn down.

Quite a number of Britons believe that the organization of a sterling bloc has merits not merely as a rather desperate alternative but as an integral part of a planned economy. In particular, they claim, it would have the great advantage of insulating Britain and its associate nations from the expected shocks of American booms and slumps.

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[1]Some of the countries for whom Britain was the best customer in 1938 and the percentage of exports taken by Britain in that year are as follows:

Canada	39	U.S.S.R.	29
India	34	Norway	28
Australia	54	Egypt	31
New Zealand	84	Chile	24
Argentina	33	Nigeria	49
Netherlands	22	N. Rhodesia	40
Sweden	24	Palestine	43
Eire	93	Portugal	22
Finland	45	Iran	26
Denmark	56	United States	17

Adapted from *Great Britain—The World's Best Customer.* British Information Service, New York.

The British Parliament, by ratifying the Anglo-American Financial Agreement, rejected this point of view. Labor government spokesmen in urging acceptance of the agreement did not deny that its fulfilment involved considerable risks of the kind the critics stressed. But, they asserted, the refusal of co-operation with America, and the adoption of trade methods which would inevitably provoke bitter American resentment, represented a still riskier course. Moreover, they recognized that while bilateral trade might provide shelter in a storm, it would undoubtedly tend to shrink the total volume of international commerce. In the long run, the prosperity of Britain, a country that lives only by virtue of the international division of labor, is bound up with an expanding world economy.

In his great speech to the House of Lords defending the agreement, the late Lord Keynes eloquently summed up the case for co-operation:

> The bias of the policies before you is against bilateral barter and every kind of discriminatory practice. The separate economic blocs and all the friction and loss of friendship they must bring with them are expedients to which one may be driven in a hostile world, where trade has ceased over wide areas to be co-operative and peaceful, and where are forgotten the healthy rules of mutual advantage and equal treatment. But it is surely crazy to prefer that. Above all, this determination to make trade truly international and to avoid the establishment of economic blocs which limit and restrict commercial intercourse outside them, is plainly an essential condition of the world's best hope, an Anglo-American understanding, which brings us and others together in international institutions which may be in the long run the first step. Some of us, in the tasks of war and more lately in those of peace, have learnt by experience that our two countries can work together. Yet it would be only too easy for us to walk apart. I beg those who look askance at these plans to ponder deeply and responsibly where it is they think they want to go.[2]

III

Lord Keynes' plea surely deserves equal consideration on this side of the Atlantic. Americans, too, would do well to "ponder deeply and responsibly where it is they want to go," and how they propose to get there. William L. Clayton, Assistant Secretary of State and one of the engineers of American international economic policy, gave an answer in

[2]House of Lords Debates. December 18, 1945.

terms of official aspirations to these questions in *Fortune* for May, 1946. With regard to America's destination, he declared:

> The people of the United States have accepted the fact that they are stockholders, whether they like it or not, in a corporation named The World. On the Board of Directors they have taken the seat that has been waiting for them these last twenty-five years. They have made this decision after full debate, without partisan division, and they show every sign of sticking to it.

This statement, as far as it goes, is, I believe, broadly true. The American people have abandoned the idea that they can make their country an island of prosperous security in a disturbed and poverty-stricken world. They have come to understand that peace and prosperity alike are indivisible and they have resolved to play a leading role in the international organizations that have been created to seek these ends. But if the destination is settled the details of the route by which it is to be reached afford opportunity for abundant misunderstanding and controversy. We may all subscribe to the economic ideals of the Atlantic Charter: "the enjoyment by all states, great and small, victor or vanquished, of access, on equal terms to the trade and raw materials of the world which are needed for their economic prosperity"; "the fullest collaboration between all nations in the economic field with the object of securing, for all, improved labor standards, economic adjustment, and social security." But when we are asked to indorse the positive measures that will clothe these ideals with reality, many of us balk.

The reluctance to face the practical implications of policies unhesitatingly accepted in a generalized form is well illustrated by the fact that, while it is recognized that world reconstruction and development must for a time depend to a considerable extent on American capital, any particular proposal for a foreign loan arouses widespread hostility. Public opinion polls, for instance, have shown consistent majorities against the British Loan. What is the reason for this opposition? In part, no doubt, it reflects the dislike of such racial and political groups as the Zionists and Communists for current British policies; to a greater extent it is due to uncritical acceptance of the arguments of those who say that with its huge national debt the United States cannot afford to make a loan of this magnitude, especially when Britain is sure to default, or that the money will be used to finance socialist experiments, or that it will create increased competition for American goods. Yet if the poll-takers had

gone on to ask those who opposed the British loan whether they favored measures to restrict American participation in world trade to a minimum they would certainly have encountered a majority of indignant denials.

True, the administration's program for international co-operation includes a steady flow of American capital to foreign lands for a good many years ahead. This would make possible an expanding volume of American exports and, since it is senseless to make loans and then refuse to accept repayment, it implies a steady increase in imports until eventually they exceed exports with the difference representing interest and repayment of capital. This program makes sense, for the United States has a capacity to produce capital goods well in excess of its needs, once the current postwar demand has been satisfied. Europe, on the other hand, has had so much of its productive wealth destroyed that it has been thrust back in a sense to an earlier stage in the industrial revolution. Instead of being primarily concerned, as this country is, or should be, with jacking consumption up to the level of production, Europe has to concentrate on the problem of capital formation. There are only two ways in which this can be done: by squeezing consumption so as to divert a larger share of current production to investment, and by borrowing from countries which enjoy a surplus of productive capacity, which means for practical purposes from the United States.

Europe today is, willy-nilly, following the first of these methods while hoping that enlightened American self-interest will permit supplementary use of the second. In Britain, as in Belgium, the Netherlands, and some other countries, consumption is being held down both indirectly by taxation and directly by limitation of imports and the application of a priority system to raw materials, labor, and finished products. Thus in Britain, although there is an enormous unsatisfied demand for automobiles and a severe shortage of clothing, manufacturers of cars and clothing must allot a large part of their production to overseas markets. Forced exports, as we noted earlier, are a necessary substitute for lost income from foreign investments.

The grant of American loans would not mean that European consumers could be given their heads; if they were, the benefits of the assistance would be dissipated in financing consumer goods imports. But the reins could be loosened a little, thus increasing incentives to greater production, and the period during which a curb on appetites was neces-

sary could probably be shortened. If American aid is denied, or severely restricted, European countries, left to pull themselves up by their own bootstraps would almost certainly be compelled to heighten the pressure on consumption, either by planned measures or by inflation. Externally, as we have already noted in discussing the British trade problem, this would lead to tighter trade controls and promote an urgent quest for an alternative to multilateral exchanges of goods through the medium of convertible currencies. Forced to husband carefully their dollar reserves, drawing on them only for absolute neccessities, European countries would be driven to foster new sources of supply. The Southern Senator who opposed the British loan on the ground he feared it would be used to finance cotton-growing in the British colonies, was looking at the situation upside down. For it is precisely the failure to secure the loan which would induce Britain to encourage cotton-growing in countries that could be persuaded to accept payment in goods.

The argument that loans to Britain, France, or other western European countries will only serve to speed them along the path to socialism is similarly twisted. These nations are committed to public ownership of certain key industries and monopolies and they certainly have no intention of compensating the present owners in dollars. Their own cash and bonds are all that is needed for that purpose. Moreover, an acceleration of the trend toward socialism might very well follow the denial of American financial aid. For that, as we have seen, would increase the necessity for holding down real wages. In a mainly capitalistic society such forced abstinence means that the resulting additions to productive equipment become additions to the wealth of the capitalist: the immediate beneficiary of the sacrifices of standards by the worker, in the national interest, is his boss. This is not an outcome that western European workers are likely to tolerate. As their consumption is depressed, their insistence on public ownership of the means of production will become more urgent.

IV

Without question Europe's economy is destined to be socialized; what is in doubt is whether the process will be gradual or revolutionary, marked by the preservation of civil liberties or their destruction. The answer depends very much on whether the United States can come to

terms with European social democracy which means, in the first place, with the British Labor Government. That administration, the most solidly established in Europe, not only is intent on its program of over-all economic planning with nationalization of key industries, but it knows also the urgent necessity of expanding world trade and is fully prepared to co-operate with the United States to this end.

Unless America and Britain do co-operate in planning economic revival, there can be little hope of putting Europe on its feet before revolution stands it on its head. They are the only two countries able to produce for export large quantities of the capital goods needed the world over for reconstruction; they are also the largest markets for those primary products which are the chief means of payment for the countries seeking capital goods.

But, it will be asked, how can two countries be partners in a business that must involve them in an acute competition for customers? This question assumes that the world market for industrial products is strictly limited. Actually it is almost inexhaustible if properly cultivated. A program which aimed at providing the average man throughout the world with a quarter of the horsepower available to the average American would keep American and British industry busy for decades.

But a program of this sort cannot be launched automatically. Europe, left to itself, might slowly accumulate a surplus for capital formation but only by using autarchic methods opposed to American plans for freeing trade. Asia, Africa, and Latin America cannot rise out of their poverty unless they receive external assistance for building transport, developing power resources, modernizing agriculture, and starting industries. Only the United States has a surplus for investment comparable to their needs.

Nor should a socialist Britain be a hindrance to co-operation rather than a help. For British Labor, while not prepared to liquidate the Empire offhand, is ready to speed up the process of self-government or independence. Moreover, large plans are being put into effect for basic economic developments in the colonies. These are steps which will open the Empire to American investment, and this is the way in which America can contribute to the improvement of living standards throughout the world and so to its own greater stability. And there is no other way. Only in a world in which "freedom from want" becomes a meaningful phrase can America hope to enjoy either prosperity or peace.

LABOR IN THE BRITISH COMMONWEALTH

By DAVID LEWIS

TRADITION DIES HARD. So do illusions. So does a bad name. And all three are responsible for the American pose of the White Knight out to slay the British Imperialist Lion. The traditions go back to the American War of Independence; the bad name has been well earned by British Tory imperialist policy during the past two centuries; the illusions are purely the creation of the self-satisfied American that the United States is pure and innocent of imperialist ventures. This illusion is an unconscious premise even among progressives who fully understand the evils of American economic imperialism and fight against them.

The traditional American attitude has not changed much since Labor's coming to power in Great Britain. The attitude is no longer justified, certainly it is no longer *fully* justified, but there are forces in the United States determined to exploit the American tradition as a weapon to undermine the position of the British Labor government. There are first of all the reactionaries. They fear the possible success of the Labor government very much indeed. Of course they also fear the Soviet Union and communism, but in a very real sense they fear British Labor more. For against communism they always have the traditional habits of American democracy and the deep-rooted individualism and independence of the American people. Totalitarianism of any sort would find it difficult to overcome these habits. But British Labor is building its socialist society precisely through the democratic habits of the British people. If, therefore, it should succeed in building a structure of economic security and equality on the foundation of democratic rights, then the lesson to the American people would be clear and dangerous. Hence the campaign of American reactionaries against the British Labor government, aided and abetted by the still strong isolationist forces.

The second anti-British influence in the United States is the Zionist movement, which has been embittered by the failure of the British government to permit large-scale Jewish immigration into Palestine and by

its refusal to carry out the old pledge of the British Labor movement in favor of a Jewish commonwealth in that country. This is not the place to discuss the extent to which Zionist disappointment is justified and the extent to which the bitterness is irresponsible chauvinism. Undoubtedly, however, the Zionist movement in the United States has been carrying on an unremitting campaign of vilification against British policy, particularly in the foreign and imperial field.

Finally, there are the American communists. Though their number is relatively small, their position in the labor movement is quite strong. And they use that position to blast the Labor government. This is directly in line with present Moscow foreign policy. The competition between Britain and the Soviet Union, both for power positions and for ideological domination of parts of Europe, leaves the communists in the United States no alternative but to tear down the British Labor government in that particularly unscrupulous way which is invariably the communist way.

The result is that American progressives, even those wedded to the democratic ideal, fail to analyze British international and imperial policy in an objective way. While such progressives are at great pains to look for the best in everything the Soviet Union says or does, they are at equal pains to look for the worst in anything that the British Labor government says or does. Yet it is clear that, in spite of much hesitation and possible mistakes, British imperial policy has taken a definite democratic direction and holds out promise of constructive development in the future.

British Labor has been in power less than a year. Already it is actively bringing independence to India. It has provided Ceylon with a new constitution which gives that little country all national rights short of complete independence. It has introduced a new setup in Malaya which promises to lay a sound foundation for development toward full nationhood in the future. It has appropriated more finances than ever before for the welfare of its African colonies and there is every reason to believe that the condition of the natives in those colonies will be rapidly and progressively improved. So far it is the only major government which has declared itself ready to submit its mandated territories to the Trusteeship Council of the United Nations.

I suggest that this is not a mean record for less than one year's office, particularly since existing international circumstances do not encourage the abandonment of national positions of economic and military im-

portance. Certainly there are many points of British international policy which are still open to criticism. But since international idealism is not the most common ingredient of the behavior of any of the big powers at the present time, it is both unfair and unrealistic to expect the British Labor government to pursue a policy of national self-effacement. Within these limitations, the present record of the Labor government holds out hope of continuing improvement in fundamental British external policy.

The hope for a progressively improving foreign policy by Britain is buttressed by recent developments in other countries of the British Commonwealth. The most important fact in the present situation in the Commonwealth is that not only Britain but also Australia and New Zealand are governed by their labor parties, and that in other parts of the Commonwealth, Canada and even South Africa, similar parties are well rooted and progressing toward power in an encouraging way. One need only cite the independent attitude of the New Zealand representative at the League of Nations at the time of Ethiopia, and the independent attitude of the Australian representative on the Security Council of UN, to realize the way in which the whole British position may be influenced by political developments inside the countries of the Commonwealth.

Labor has been in power in New Zealand since 1935. It took office during the depression and quickly improved the position of the New Zealand people through a series of intelligent economic policies which reduced unemployment and guaranteed agricultural income. Since then it has built an imposing structure of social security, probably second to none in the world. Since 1935 the New Zealand Labor government has fought two elections and was returned in both. Another general election of great interest is expected in that little country this fall.

The significant fact about New Zealand is that Labor has governed there continuously for eleven years in spite of the fact that the country is predominantly agricultural. It could not have come to power without widespread rural support and will not be able to retain power if it loses that support. Recent reports from New Zealand indicate that there is some dissatisfaction among the farmers, due apparently to the fact that the government has refused to allow agricultural prices to find the high level which world demand would permit. The New Zealand government has pursued a consistent policy of guaranteed agricultural prices which it paid the farmer when world prices were far lower and continues to pay them

when world prices are higher, although the guaranteed prices have been adjusted several times. The surplus accumulated during high world prices is intended to be used to cover the deficit during a period of low prices. But it is not easy to persuade the farmer to accept less than what he knows he could obtain if he were allowed to sell on the home and world market without any controls. It seems, therefore, reasonable to look for a possible drop in rural support of New Zealand Labor.

Australian Labor has held power in various states of that country during the past twenty-five or thirty years. The present Commonwealth Labor government has been in existence since 1941. Since that day it has been through one successful general election and is also likely to go to the country this fall. Australian Labor has governed mainly during the war and has not yet had a chance of achieving results comparable to those in New Zealand. It is also badly hampered by a constitution which places in the governments of the respective states dominant power in many fields of economic action. This has slowed down considerably the progress of the central government toward national economic planning and control.

The Labor Party of South Africa seems to have had a less successful and more turbulent history. It has been frequently split, mainly on the issue of the Labor Party's attitude toward the natives. So far as one can gather from scrappy information at long distance, the history of the South Africa labor movement is not particularly wholesome on the issue of racial equality and the treatment of the blacks. There are numerous instances of trade unions excluding natives from membership, and the official policy of the South Africa Labor Party has often been against the extension of civic rights to the native population. Racial discrimination, segregation, and disability are rampant throughout South Africa, and are present to a sad extent inside the South African labor movement.

For these reasons have the relations between the labor parties in South Africa and Britain always been somewhat strained. The British Labor Party has officially sided with the sections of the South African labor movement which have stood for racial equality. It may well be that the influence of a labor government in Britain together with the decent actions of the New Zealand Labor government toward their native Maoris will have a good influence on the policies of the South Africa Labor Party.

For the moment we will leave the Canadian CCF aside and indicate one characteristic which is common to all the labor parties we have so far

mentioned. All of them are based on the trade union movements of their countries. In many centers of Australia the Trades and Labor Council is also the political Labor Party and there is no separate political organization. This, of course, is not true to the same extent either in Britain or in New Zealand but, as is well known, even in these two countries the trade unions form the base and the dominant force in the labor parties.

Whatever one may think of the advantages or disadvantages of such a situation, the historical development can probably not be reversed or changed and the fact is of basic importance. Among other things it means that the labor parties must meet the economic and social security demands of the trade unions. And since the latter exist for immediate ends, the labor parties may be forced to postpone measures looking to the ultimate socialist objective in order to meet such day-to-day demands. Their trade union base is of such importance that it cannot be ignored at any stage in the consideration of their policies and actions.

In previous articles in *The Antioch Review*[1] I had occasion to outline the history and policies of the Co-operative Commonwealth Federation in Canada. One interesting point to note here is that the Canadian development of a political party of the working people came much later than in the other countries of the Commonwealth. While the labor parties of the latter countries had their beginnings either before or in the early years of the twentieth century, the CCF in Canada was not founded until 1932. True, there were little labor parties scattered across Canada, and also a socialist party, prior to the formation of the CCF. But none of them had ever reached any position of importance or strength.

This the CCF has already definitely done in some thirteen or fourteen years of existence. It now has organizations in every province in Canada and in some provinces is a dominant party. As is well known, the CCF achieved power in the prairie province of Saskatchewan in 1944. In addition, it is the official opposition in three other provinces, namely, British Columbia, Manitoba, and Nova Scotia. The only really weak spot of the CCF is the important French-Canadian province of Quebec, where its position remains that of a minor party. In almost all the other provinces it has already become either a dominant or a significant force. In any case, no one in Canada any longer questions the fact that the CCF is an estab-

[1] "Socialism Over the Border: Canada's CCF," Winter (III: 470), 1943; "Farmer-Labor Unity: the Experience of the CCF," Summer (IV: 166), 1944.

lished national movement which has come to stay in the political life of the country.

The influence of progressive and socialist political parties is always much greater than their actual strength in terms of power. This is also the case with the CCF in Canada. The mere threat of its growth has been an invaluable stimulus toward social legislation by capitalist governments, even conservative ones. The art of stealing the pants of one's political opponents is an old one, and becomes a necessity when one's own trousers are in hock. Thus the CCF has had and is having a decisive influence on Canadian policies both internal and external.

The probable historical reason for the late development of such a movement in Canada lies in the fact that the Canadian trade union movement has always been part of the American labor movement. The Samuel Gompers tradition of "no independent politics" was until very recently also the dominant tradition in Canadian unions. Even today it serves as a barrier to rapid development of trade union political action through and with the CCF. The traditional Gompers attitude is reinforced in modern times by the communist influence which in Canada, as in the United States, opposes every attempt at independent political action by labor unless the communists can control it. Thus, the Canadian communists have been as strong a factor, if not stronger, as the Gompers tradition in keeping Canadian unions from following the development of their sister organizations in the other parts of the British Commonwealth.

For these and other historical reasons, the CCF had its early successful beginnings in the rural provinces on the Canadian prairie. The result has been that the CCF, unlike the labor parties in Britain, Australia, and New Zealand, was from the start a genuine combination of both farmer and labor forces. It has, therefore, been able to overcome some, although not all, of the difficulties of welding industrial workers and farm owners into one political movement on a democratic socialist basis. In this sense the Canadian CCF is rather different from its sister labor parties. However, in its general ideology and program it is very similar.

A study of the theoretical content of the socialism of the labor parties, including the CCF, of the British countries, discloses one common characteristic which is their great strength as well as a striking weakness. All these parties are empirical rather than doctrinaire. Whether this is due to some particular habits of the Anglo-Saxon mind and character it is for

the sociologist to say. In any case, it is undoubtedly true that the Hegelian-Marxian structure of methodology and philosophy has had some, but relatively little, influence on the democratic socialist parties of the countries of the British Commonwealth.

A person whose socialism began with a study of Marx and whose habits of thought are determined by the schematic arrangements of dialectics, finds it difficult to accommodate himself to the manner in which discussion is carried on by British socialist movements and to the practical, empirical, and, often, theoretically inconsistent way in which decisions are reached. The weaknesses of such a political approach are obvious. The ultimate objective is never very clearly defined; the particular method is never an automatic derivation from foreseen circumstances; day-to-day actions do not necessarily flow from a set of unchangeable principles.

Thus socialization is for British socialist movements strictly a tool for the achievement of social and humanitarian ends, but never an end in itself. Therefore, it follows that if certain necessary results can be better obtained without immediate socialization, then socialization is postponed. And although the postponement may cause a few ripples, it is not likely to rock the boat. Similarly, the monarchical system ceases to be wrong in principle, but becomes merely a practical problem of the adaptability of the monarch to changing political and economic circumstances. When, therefore, you have a monarch, such as the present British one, who obviously has a firm respect for the democratic process and does not show any intention of interfering with it, labor parties in the British countries fully accept him without worrying about the principles of monarchy versus republic. Imperialism, too, becomes something to be altered and improved rather than something to be cursed and destroyed. Undoubtedly many British Laborites would welcome the substitution of some new word for "imperialism," and undoubtedly they are all determined to get rid of the exploitation and domination which imperialism has hitherto meant. But when a British Labor spokesman says that he does not intend to liquidate the British Empire, he definitely does not mean the same thing as Churchill, but there is no doubt that he does express an intention to retain the associations for good which have developed within the Empire and Commonwealth simultaneously with the evil.

All these are merely examples of the empirical nature of British socialism. By some they are considered serious weaknesses, but can one

be certain of that? I urge that they are also a source of tremendous strength. The doctrinal rigidity of European socialist movements and the mechanistic behavior of world communism are both eloquent evidence of the frustrating effect of fundamentalist doctrine and practice. I doubt very much whether a socialist party in any other country could have withstood a betrayal of its top leadership in the same way as the British Labor Party did in 1931 at the defection of Ramsay MacDonald and his associates. The working people of Britain were not prepared to desert to the enemy, and their unsophisticated class loyalty was not confused by involved theoretical arguments about subjective and objective conditions.

Socialism in British countries has another common element: it is passionately democratic. If labor in British countries had to choose between democracy and a socialized system, their choice would not be easy, but it would likely be democracy. Freedom, in the full political and social sense of that word, is one of the supreme ends which socialism in British countries seeks to achieve, and socialists cannot conceive of choosing a system in which this ultimate objective is abandoned.

Nor is there any monkey business about modifying or qualifying democracy once labor is in power. In every case, it is the declared and clear intention to allow full political freedom for all parties, capitalist as well as proletarian ones, after labor has come to power. This does not mean that the labor movements of the commonwealth are soft. On the contrary, they are very determined to withstand reactionary attacks on democracy and they have done so and will do so courageously and successfully. But they have succeeded precisely because their faith in democracy is not vitiated by mental and moral reservations as to what they would do with it once they came to power.

Because of the empirical nature of British socialism and its adherence to the democratic process, it pays a great deal of attention to social service and social security legislation. This flows from its empirical approach simply because the day-to-day needs of the people demand some immediate benefit in terms of social security whatever the plans may be for an ultimately logical society.

This deserves emphasis because it is fashionable among so-called scientific socialists to sneer at social service achievements as mere reformism. In an important sense this is, of course, true. However, in another and equally important sense it is not true. After all, it has taken the Soviet

dictatorship more than a generation to lay the foundation of their socialized economy, and it will take them many years more before they give the Soviet peoples a standard of living equal to that in many Western countries. Partly because of circumstances in that country, partly because of the nature of dictatorship, the new society has been and is being built in strict conformity to a logical pattern, which does not hesitate to sacrifice people and their welfare to the achievement of that pattern. But even that process is a long-term one. There is neither historical nor theoretical evidence to show that given twenty-five years or so the reverse approach of increasing happiness and standard of living step by step with advances in the field of socialization cannot also achieve a successful end result, and do so without the evils of dictatorship or the destruction of important values and many lives.

Thus, the achievements of the Labor governments in Great Britain, New Zealand, and Australia are to a large extent in the field of social legislation, and in every one of those countries a comprehensive system of social security has already been achieved which provides a decent minimum standard of living for every man, woman, and child. In Britain, in particular, the fundamental struggle for the assumption of economic as well as political power has been carried on at the same time.

The whole future of the labor movements in the British Commonwealth depends, like almost everything else, on their success in avoiding the impact of another depression. (One might have said that their future depends on the United States avoiding another depression, but this is probably a condition that cannot be realistically hoped for.) It also depends on the maintenance of peace. Both for the question of world prosperity and the hope of world peace, continued progress of the labor movements of the British Commonwealth is an important condition. As each movement becomes stronger in its own country, and as Labor governments become more established, the collective influence of the British Commonwealth on the world economy and on world affairs will be more and more decisive.

It should be emphasized that there is no unanimity of policy in the British Commonwealth and there is great opposition to any attempt at achieving a foreign policy for the entire empire. The Dominions, particularly Canada, insist on their individual right to pursue their own independent foreign policies. They are delighted when their policies

coincide one with the other and with that of Britain, but they are not prepared to abandon their independence to the achievement of unanimity among them. Thus the fear of an empire bloc in international affairs is not justified, as the recent meeting of Commonwealth prime ministers in London conclusively proved.

However, the labor movements of the British Commonwealth maintain close association. They have frequent contact with one another through regular correspondence and occasional meetings. They feel a moral solidarity which is very strong and intimate. In September, 1944, a conference of Commonwealth labor parties was held in London. Another is scheduled to take place in Canada in the first half of 1947. Again it should be said that within the socialist family the Commonwealth connections are not exclusive, but are intended as a part of the international socialist movement.

It is difficult to foretell what will happen to the countries of the empire which have not yet achieved independence. It may be too much to hope that India, for example, will voluntarily choose to remain part of the British Commonwealth. After all, the self-governing countries of the British Commonwealth today have a majority population deriving from British stock at some more or less distant point in the past. Canada, Australia, New Zealand, South Africa, and Ireland are all countries with a majority of British people. It is doubtful whether a country which has no ties either of blood or tradition with Great Britain would consider it at all natural to become part of the British family. If, however, this did happen, one ventures to suggest that it would be a very advantageous thing for the world and for the countries concerned.

However, the present setup of the self-governing parts of the British Commonwealth is likely to remain. The association among these nations is not weakening even though the independence of every part is growing stronger. The labor, progressive, and socialist movements of these countries are continuing to advance in the characteristic democratic way. As they each gain in experience and power they become tied together by the objectives of democratic socialism as well as by history and tradition, and their collective influence on future world policy cannot be other than good.

A BOY CAN RUN

By NOLAN MILLER

THE BOY SHOWED UP at his uncle's farm in the early evening, and nobody seemed surprised that he had come. Nobody asked if he planned to stay. He was dressed up in his city clothes, carried stockings and small stuff like that in his pockets.

Old Auntie was down by the road, hanging over the gate, and when she saw him coming, her toothless mouth ran over his name. "Willie . . . Willie . . ." The withered smile puckered as with a drawstring. Aged, addled, Old Auntie entertained herself, greeting folks when they passed in the road.

In the kitchen the boy found his Aunt Carrie, and she only said, "Well, supper time—I 'spose you're near starved," and his Uncle Travis, when he came up from the orchard, picked a leaf from his hat and said, "Howdy, kid. And how's this here new Ma of yours?"

He was scared to answer much, too scared to tell lies. He fooled with the baby in its chair, and his two little girl cousins wandered in from the yard to study him. He smelled supper and began to melt with hunger. A twelve-year knot of a boy with a brush on top, always with a hankering mouth, though he was always eating, always begging with his eyes for cake or bread and jelly. He sucked up stolen handfuls of sugar. Licked salt. He gnawed apples down to cores and split the seeds with pointed teeth. He could never be separate from the yearning in his stomach, and out here at the farm nobody yelled at him if he slipped into the cellar-house for carrots, if he stopped his dizzy trot around the place with his cousins and, drawn to pantry shelves like a saint to a shrine, he crammed himself with store cookies and cornflakes and dried apricots and raisins.

It was different at home. Things to eat were behind plate glass, piled up in stores. All day he played shinny and catch in the plain streets among the rotting houses, and he followed hucksters' wagons and bakery trucks, hoping something would fall off.

He was seldom in the house the long days his mother was sick. He had to wait on the curb, wait and wait until she called him in and gave

him change so he could go buy himself some bologna, or maybe a hamburger over at the White Castle.

If his father sent him out for cigars, sometimes he got a nickel. He'd buy iron-hard balls at Tony's, pack them in his cheeks. They lasted for hours. He always saved one for bedtime—then he could sleep, the candy melting sour-sweet in his head.

His stomach was his enemy. He wondered at it, how it looked. It nagged and nagged him, and he was ashamed, and one time out here at his uncle's place he'd gorged on sour green apples. Then Aunt Carrie had dosed him with peppermint-tasting stuff from the "sick-bottle" and he had felt better, right away.

"See what happens to pigs?" she'd said, and knocked him on the head with her hard knuckles.

There was another enemy, what was going on all the time between his mother and father. They argued and quarreled, and sometimes when he was in bed he'd hear something fly against the wall. Then his mother would groan, "Oh! Oh!" They fought, though his mother was very sick, and his father was usually a bit past a half dozen bottles of beer. At the supper table there would be silence, but their hate of each other reached out, like bugs' feelers. Whipped by their unspoken hate, the boy could barely taste the food he swallowed, and his stomach shook like a piece of tin.

"I'm not thinking of what'll happen to me," his mother said once.

His father, grinning, cocked his heels on a kitchen chair. "Well, why don't you get out? Why don't you take the kid and get the hell out?" But this was only when he was actually drunk. Other times he'd squeeze the boy's ribs until they cracked, pinch the soft inner sides of his legs. "Don't like that, eh? Don't like it!"

If he was not drunk enough, he would swear and smash his hat down on his head. "By Jesus, I don't know why I stay home!" Then he would blunder out like a bull, banging doors.

If it was one of the long summer evenings, he'd long to go outdoors again. He'd help his mother with supper dishes, hang at the back porch railing.

"I'm off to bed," his mother would finally say, meaning that he was free to do as he liked.

But he would not leave. His mother was in bed, her door open. He would stand and watch her, lying still and thin under the sheet.

"Mama."

Never an answer.

Isn't there something? Isn't there something I can do? So he cried out without a voice. She did not answer. She wanted nothing. Never wanted a goodnight kiss; never touched him except to dig into his ears or the corners of his eyes when he was starting off for school.

It did not seem unnatural that in the middle of the summer his mother died. The funeral was in a neat, white undertaking establishment on a distant street. For three days he and his father wore their best clothes, and his father was sober, and for weeks the neighbors were respectful and quiet and curious and very kind.

* * *

The first morning at the farm he got out of bed in the attic where he had slept with his cousins. His aunt had fried bread and bacon for breakfast, with it a sweet brown syrup and apple butter and full, cold-sweating glasses of milk.

Gently the rosy autumn sun brightened the thin clapboards of the kitchen wall and the range pounded heat into the kitchen's damp corners. The heavy oak table, skirted in red-checked oilcloth, was hot to touch. Old Auntie unbuttoned one of her sweaters, but yanked down her stocking cap. As she ate, she kept her false teeth perched stark in an empty bite beside her plate; she poured milky coffee on her bread and mashed it with a fork.

Uncle Travis, in dirty white painter's overalls, sat twisting his rope-rough neck, holding tenderly his bean-shaped head. His an owl's dreaminess. To the boy he was a riddle. He was his father's brother, but was related to no one, was related only to what could be pushed, carried, hauled. In the orchard he carried the slatted crates of apples on a sloping shoulder; in the farmyard he planted himself like a stake against the Ford pick-up when it had to be sparked into life. He never showed sweat under his arms nor on his bald crown; he never grunted nor swore nor talked idly, nor kicked off his shoes in the kitchen and demanded attention. Neither feared nor loved, he was accepted, a moving shape, working, eating, working.

Aunt Carrie was a woman of moods. Sometimes, for no reason, she appeared gay, looked less the faded image of her youth, her hair bright and curled, instead of lank and dead. She was frequently sad, too, slow and wan, her feet weights in her worn men's shoes. And at times she was shy, holding her skin tight over the whittled bones of her face. "Why, I wouldn't know," she'd say, if asked a direct question. "I couldn't really answer that one." Close to no one, in her heart lay the bashful narrowness of a smile, a secret jewel of humor.

It was Old Auntie and the tiny baby, wriggling in its chair, who made noises, eating sloppily with their fingers.

Somehow, there was a feeling undefined between them, a tenderness silent and untried. Perhaps it was because Old Auntie was a cast-off, for once when younger she had been active and useful, sharing a home with a schoolteacher daughter. Bundled now in ragged sweaters, blowing her nose, picking up sticks and rubbish in the yard—this her last years' remembrance. There was a lost look in her old eyes. She awaited death and peace without fear.

"Son, you picked a good time to come," his Uncle Travis said. He followed him to the orchard when breakfast was finished.

All that cool day they lived in the trees. From early morning when the limbs were cold and the leaves wet, until the sun rose high, shuttling through calm clouds, with his uncle and a neighbor, a heavy-set man, the boy rocked and strained, silently worked.

The late fruit was good this year, with very little black spot, and because there had been few rains the poison spray remained like a flaky bloom on the apples' irregularly bulging sides. The crowded acres bore only fine, strawberry-hued Spies with fading amber stripes, and they were hard and tart to eat—the teeth snapped into the core; the skins were bitter and tough.

Uncle Travis worked from ladders, but his helper was an amazing boy, legs alive, heaving himself like a weighted leather sack from a tree fork, out to bending limbs. Like an animal with a dozen hugging legs, a canvas bag tied to his shoulder, he picked without tiring, whistled when his sack bulged full. The apples were taken out carefully and piled in new baskets with blue paper liners.

The boy had been told how to pick, how to snap off the fruit without stripping bark. He watched his uncle, learned how to do it. He wanted

to fill a basket all by himself. Then another. He counted, but lost track; he became aware of passing time, and, finally, was not aware of either minutes or hours.

At first he was slow, and he munched apples, cleaning each one on the tight seat of his pants. He grew sick of apples, began to feel sick and green in his insides. Now that passed, and the ache was finished in his arms and in the arches of his feet. He was a man, working. He hung above the ground in a silence of leaves and netted branches, and the apples, as if attached to springs, bumped into his face. He was close to the silence of the sky. His girl cousins, chatting and yelling on the ground, were more often as dumb as ants, crawling in the long grass. The boy lay along a round limb, his body light, his legs and arms and body giving quick pressures; he was a lover, loving a tree. The day rushed past, and his fingers were sore; he unstuck damp faded leaves from his cheeks and the back of his neck. He worked. At last he went to wash his hands in the same water Uncle Travis and the neighbor used, dried his arms on the wet roller towel and sat down to the hot dinner. He ate like a man, picked his teeth with a sharpened match, and tilted back in his chair.

It was Saturday. In the afternoon there were small happenings. A fat girl in skintight riding clothes jumped her horse neatly over the fence and begged an apple. "How much it cost?" the girl asked, and Uncle Travis shouted, "Nothing!" The horse sawed its head from grass to leaves to apple, with rubber lips crunched the apple with two flabby bites. Horse and rider fled to the gate and were gone. Then two men in a blue coupe drove in, bought a choice bushel, asked about hunting. One of them kicked a rear tire. There were gun shots, far off. For the first time the boy heard them, realized he had been hearing them deep in the woods all day.

* * *

At dusk time there was supper. A car suddenly rolled in and parked, its headlights dust-yellow against the windows; they sat at the kitchen table, blinded, wondering who it was.

"Hey!" the shout came. The motor flickered off. Old Auntie sat with the baby, sleep-heavy in her arms. The two girls began to beat the oilcloth with their spoons. Aunt Carrie snatched off her apron and followed Uncle Travis outside.

The boy sat listening to the talk. He knew the man's voice out there, and suddenly, slowly, he was afraid again, the first time that day. He thought he could smell the cigar, could hear the rattle of change in the man's pocket. He knew the man in the car was his father, and he was sure to be a little drunk, and just before the kitchen door opened, he knew something more: the woman was with him.

There were certain small rooms he thought of, and a street blowing city dirt and damp newspapers slapping against the red brick foundations of the houses, and he thought of the yellow-streaked head of this woman. He saw her in one of his mother's old housedresses, heard her patent leather shoes, a sandpaper noise on the linoleum. The woman had the sauntering and impudent gait of a person always knowing what she's about. She had been like that—even before his mother died, and once she had been seen on his street, and his father had been with her then: she had held his hand.

His father came in and sat down, his wet mouth held in a foolish, cocky grin. His necktie was loose; a button hung loose on his new suit coat.

"Hi, there, kid," his father said. "Say hello to Marge."

The woman pinched his arm.

"You had us scared a little bit," Marge said. "Who said you could come out here?"

"You going to say hello, or ain't you?" his father asked.

"Oh, we was just drivin' around," his father was telling them. "Thought we might as well pick up the kid. Marge was worried. Say—" a finger was bent, and the hand snapped back "—you don't want to pull anything like this again. See?"

The boy shook his head, slowly.

"Apples all in?"

"Yes," Uncle Travis answered. The apples were about all picked. "I thought you *knew*," he was saying. "Didn't think he'd run off without asking."

"Well, we're ready to shove off," his father said. "Got your cap around somewhere?"

When he came down from the attic, his father was still talking. They were listening to him, Marge grinning, his Aunt Carrie and his uncle looking timid. He was talking about a slot machine in a beer garden.

About a man who had invented some new gadget—was going to cash in big—made up the idea, he claimed, right in his head. Marge accepted a cup of coffee. Aunt Carrie turned on the light and there could be seen the metallic streak of the part in Marge's goldy hair; her fingernails beat nervously, like red beetles.

Uncle Travis leaned forward like a dried flower stalk. Old Auntie was a mummy, and she sat gazing into distance, hearing nothing. The two girls were sleepy. The range was baking hot again.

Desperately, the boy tried to hold to someone. Tried his uncle who, blunted by endless work, here in the farm's silence, had forgotten the roads and the deep-tracked spaces lying between him and other men. The two, boy and man, had been closer in the orchard than they were now. They were closer in work than in rest.

The boy sought his aunt's puzzling face. His heart twisted as he waited for her to speak. But all she said was, "Got all you brought, bub?"

If only she had said, "See here, I'd like for Willie to stay—"

If only for a moment she had fondled him, saying, "We'll miss you, boy. . . ."

They were finished. His father still talking and talking. They dawdled on the stoop, on the ground in the cold darkness—Uncle Travis was giving instructions about how the car should be backed.

The boy sat on the front seat between his father and Marge. The car lights flared on, tearing at lilac leaves. The car roared and jerked—and then there was the road, harshly bright, stones and withered roadside grass and falling shadows and the crouching wall of the night and the city shaking on the horizon, a smear of light. And soon the acid, almost vinegary smell of the apples was whipped out of his clothes. And soon, too stricken for the world, the syllable of irremediable grief, he began to retch.

"I—got to get out—"

"Frank, the kid's sick," Marge said.

He shrank from her, even as she tried to hold him, help him.

He stood in the road only a moment. The car chattered, but he ran away from the lights. He stumbled into a ditch, tore through a fence. It was an open meadow of short grass. He could run. He could run, hunted and hunting. His feet had never been so fast.

"Why, the goddamned kid!" He heard his father cry out, and he knew he was after him, but he was sure he would always be ahead. No one would really catch him, the way he could run now—yet Marge's voice was still near. He could hear her scream. "Get 'im! The crazy kid!"

He was ahead the length of the meadow. Then there was another ditch, and he fell into it. Beyond there was tall grass and weeds and the bushy slap of young trees. He was cut in the face, and his legs were not long, like his father's. He was not a giant, could not jump the forest.

In an instant, without a sound, startled and unable to grasp the shock and fling it from him, it happened. . . . His feet were caught and bound. His head toppled, hitting hard roots and stones.

Even as he fell, he closed his eyes, pretending he was dead, dead to all feeling. A stream of blood spurted from his nose, but he did not feel it. He was lost. Lost to love and hate and fear.

His father was quick on him, jumped and held him by the legs. His hot, angry breath struck his ears.

But it was not his father who had stopped him. And he knew he was caught only for this time. It was only that he was not long-legged, and the fields were wild.

Only this mattered to him now, a conviction beyond the frailty of belief. He could run. And soon he could run too fast.

NEGRO POETS AND THE AMERICAN TRADITION

By CHARLES I. GLICKSBERG

THERE IS NO POINT in asking why Negroes should hate certain aspects of American civilization, but the need to love America, a symbol which they fill with their own emotional and ideological content, is also overwhelmingly great precisely because they are made to suffer the pangs of alienation. The hurt of rejection is countered by the vehement affirmation that the lynchers, the apostles of racial hatred, do not represent *the real America.* This country belongs to the Negroes not only by virtue of ancestry or birth. It is theirs because of the labor they have performed for centuries, the contributions they have made, the sufferings they have undergone for its sake. And they love this land into which they have poured their blood and sweat and tears, this land of violent contrasts: slavery and freedom, the Ku Klux Klan and the Civil Liberties Union. The America they love is the America of William Lloyd Garrison, Thomas Paine, Thomas Jefferson, Abraham Lincoln, and John Brown. That is the tradition of freedom and equality they work hard to keep alive.

They are proud of the remarkable progress their people have made, in the short space of eighty years, in education, politics, science, music, literature, and art. Every achievement by an American Negro is cause for collective rejoicing. Here is inspiration for those among them who doubt that there is a bright future for the Negro. Each of these famous Negroes is an advance guard, a happy augury of better things to come.

With well-planned strategy the Negroes quote "damaging" excerpts from the Constitution, the Bill of Rights, the Declaration of Independence, the Four Freedoms. For these documents embody the spirit of democracy, the conception of human and civil rights which is central to the American Creed. By harping on these strings, they are furthering their "cause" more than if they fought with guns and fists. They are demanding what they consider their "rights" as first-class citizens of the United States. As the forces are now shaping up, a decision of some kind

affecting the racial policy of America will have to be made one way or the other. During the war the Negroes openly asserted that the defeat of Hitler was meaningless unless it was coupled with the defeat of racial "Fascism" at home. The effort to isolate Negroes, to "keep them in their place," has as an inevitable consequence the intensification of their racial consciousness. Ostracism and discrimination tend to build up "a nation" within a nation.

Yet the Negroes, far from hating this country, take great pride in its history and traditions. Though their attitude is ambivalent it is not marked by contradictions. There is no fundamental inconsistency if we bear in mind that America is their country as much as it is any group's. On this soil and nowhere else will their destiny as a people be worked out. There is no ancestral homeland to which they can flee, no Congo paradise, no Negro Palestine. The more far-sighted and enlightened Negroes have long ago come to the conclusion that the future of the Negro is inescapably bound up with the future of America.

What then is to be done? So long as the Negroes remain a minority group, resort to open violence is suicidal, and the Negro leaders are well aware of it. That is why, willingly or not, they continue to agitate within the framework of the "law." They prefer to strike at the conscience of the white man, for they have shrewdly analyzed his split personality, the lacerating conflict within his own soul. All this serves to explain why Negroes both love and hate America. They hate all those forces which keep them in chains. They hate those benighted and brutal people who deny them their rights as human beings and American citizens. But at this point the saving strategy of "rationalization" comes to their aid: a rationalization that is not without its solid foundation of fact. These forces, these people, are not America. This country is a house divided against itself, and if it remains divided it must fall. The Negroes have gained immeasurable confidence from the realization that they have powerful friends and allies in the camp of "the enemy." That is "the fifth column" in the heart of "white" America, which will assure the ultimate triumph of the Negro cause. Hence they feel altogether justified in claiming America as their own, their homeland, theirs to cherish and defend even against itself.

Poorly educated, economically underprivileged, the Negro masses do not, of course, "rationalize" their emotional conflicts in this manner. The

only logic they know is that of the heart, the logic born of painful experience, and their feelings tell them beyond the peradventure of a doubt that they are the victims of a "white" society based on caste privileges and intolerable race prejudices. When they are humiliated, denied jobs and educational opportunities for their children, when they are pent up in black ghettoes, driven from their homes, beaten, lynched, they experience uncontrollable hatred. They want to kill! That is the only way they can assert their violated manhood. Bigger Thomas is the fictional exemplar of this type of hate-consumed Negro. Significantly enough, Richard Wright, in describing the genesis of *Native Son,* tells how as a writer he was "fascinated by the similarity of the emotional tensions of Bigger in America and Bigger in Nazi Germany and Bigger in Old Russia." In short, Bigger, "an American, a native son of this land," carried within him "all the potentialities of either communism or fascism."

That is too pat and expedient a formulation of the problem. Actually the Negro people are attracted neither to communism nor fascism—no more so than any other victimized minority group. They seem to realize that the solution of their problem must come through the fulfillment of all that is best in the democratic tradition. The impulse to freedom, the belief that all men are created equal, the philosophy of human and inalienable rights—this impulse, this belief, this philosophy stems from the native democratic culture. If the whites once enslaved Negroes, it should be borne in mind they also gave them their religious aspirations and beliefs, their militant concept of freedom and equality, their ultimate goal of a united humanity that transcends national and racial differences. Therefore, when the Negro masses protest against racial injustice, they are appealing to ethico-political standards which they hold in common with the whites, even though many of the latter may flagrantly violate these standards in practice.

It is the Negro writers, the highly articulate minority within a minority, who are the philosophers and propagandists of freedom. In song and story, in essay and editorial, in drama and poem and thundering sermon, they re-enact the saga of the Negroes' suffering and hold up the ideal of freedom and equality for all. On the whole, their attitude is not strikingly different from that held by the Negro masses. There is the same emphatic contrast between blacks and whites: the psychology of alienation; the same tendency to exalt the Negroes. In some cases this

tendency culminates in a rousing demand for racial solidarity. The militancy, however, is not uncompromising. The dominant note uttered springs from faith in the untapped potentialities of democratic life in America. Toward this country, then, the Negro writers, especially the poets, betray the same ambivalent attitude: hatred of its evils and love of the promise it holds out for the future.

At times the sense of racial identity voiced by Negro poets seems to crowd out their feeling of belonging to America, but even this racialism has a distinctively American cast. Exacerbated racial consciousness functions within the matrix of American culture. Though the Negro poet identifies himself with his folk, he also belongs to his country. One symbol does not invalidate or exclude the other. Born and reared in the American tradition, even if he would he cannot cut himself off from his native roots.

Langston Hughes has declared: "The Negro poet seems to be learning that propaganda cannot make poetry, any more than it must necessarily mar poetry. In view of the present status of Negro life in America, however, it is likely that Negro poets will for a long time write of what they know best, and that is, what it means to be a Negro in America." Perhaps the one Negro poet who conscientiously wrote as an American rather than as a Negro, a poet rather than a "race man," was Countee Cullen, who died recently at the age of forty-two. Although his poetry was not altogether devoid of race consciousness, his primary interest was in achieving fulfillment as an *American* poet. With the exception of a few poems, his work, rooted in the American and English poetic tradition and universal in theme, gives no indication that it was written by a Negro, yet, ironically enough, the poems by which he will probably best be remembered—"Heritage," "From the Dark Tower," and the sonnet "Yet Do I Marvel"—are concerned with "the race problem." The lines

> Yet do I marvel at this curious thing:
> To make a poet black, and bid him sing!

sum up the tragic conflict at the heart of the Negro poet. Negro poetry will continue to be authentically American in inspiration and substance because it is shaped by American influences, but until the Negro is accepted as an American and treated as such, the Negro poet will persist in playing obsessive variations on the theme: "what it means to be a Negro in America."

Langston Hughes has written memorable poetry about his land, his people, his age. Poignantly he paints the role that has been forced upon the Negro, "the Black Jester" of America. His lyrics dealing with the South are hot with indignation: the South that is sunny-faced and strong as a beast but idiot-brained and sadistic; the South that is seductive and passionate but also cruel and wicked.

> And I, who am black,
> Would give her many rare gifts
> But she turns her back upon me.

In "My People," he declares that the faces of his people are as beautiful as the night is beautiful. It is because he perceives the suffering of his people, the hardships and humiliations they must bear, that he finds them so touchingly beautiful. Recalling the history of his enslaved and exploited people, he cries out:

> My hands!
> My dark hands!
> Break through the wall!
> Find my dream!
> Help me to shatter this darkness,
> To smash this night,
> To break this shadow
> Into a thousand lights of sun,
> Into a thousand whirling dreams
> Of sun!

Langston Hughes is capable of a more piercing and profound note in "Let America Be America Again," with its plea that the dream which was America of old be restored. His indictment, no longer the pathetic plaint of one suffering minority group, is the terrible cry of all who suffer.

> I am the poor white, fooled and pushed apart,
> I am the Negro bearing slavery's scars.
> I am the red man driven from the land,
> I am the immigrant clutching the hope I seek—
> And finding only the same old stupid plan
> Of dog eat dog, of mighty crush the weak.
>
> * * * * *
>
> O let America be America again—
> The land that never has been yet—

And yet must be—the land where *every* man is free.
The land that's mine—the poor man's, Indian's,
Negro's, ME—
Who made America,
Whose sweat and blood, whose faith and pain,
Whose hand at the foundry, whose plow in the rain,
Must bring back our mighty dream again.

Freedom's Plow carries on the same theme, dealing effectively with the history of the Negro people and their collective struggles and aspirations. Out of the discovery and settlement of America a dream was born: a Jerusalem that would belong to all the hands that built it.

Out of labor—white hands and black hands—
Came the dream, the strength, the will,
And the way to build America.

In his search for materials to support the temple of freedom that is America, Langston Hughes turns to her prophetic figures: Thomas Jefferson, Abraham Lincoln, Frederick Douglass. But the importance of *Freedom's Plow* lies not in its sketch of the highlights of American history but in the faith it voices that the cause of the Negro, despite all obstacles, will win through. The seed of the tree of freedom has been planted in this soil, the tree is growing and will continue to grow.

The tree is for everybody,
For all America, for all the world.
May its branches spread and its shelter grow
Until all races and all peoples know its shade.

This is the faith that sustains Negro poets during their darkest hours. Their cause is just and must inevitably triumph. Claude McKay, the most passionate singer among Negro poets, pours out in molten verse the revolt that seethes in his heart. Yet when he gazes into the future, he is constrained to declare his love. His sonnet "America" bears this confession:

Although she feeds me bread of bitterness,
And sinks into my throat her tiger's tooth,
Stealing my breath of life, I will confess
I love this cultured hell that tests my youth!

Though Claude McKay has dealt with the Negro problem in both poetry and fiction, he refuses as a writer to be caught in the trap of color, to

judge people and decide issues on the basis of race consciousness. He will not forsake his dream of interpreting in poetry the dynamism of America, its beauty and overpowering strength.

Sterling Brown's poetry, like Richard Wright's fiction, shows how fiercely the Negro can hate. The Negro has a long memory; he may forgive but he does not forget. He reveres the memory of those who have fought and fallen in this battle for freedom. In poetry and song, in folk legend, story, and drama, Negro writers draw up the score of vengeance or predict the day of reckoning. In "Strong Man," Sterling Brown reveals the tragic history of his people, its odyssey of incredible suffering: the capture of African Negroes as slaves, the horrible voyage across, the auction block, the beatings, the brandings, the use of Negroes as breeders for more slaves:

> They swelled your numbers with bastards. . . .
> They taught you the religion they disgraced.

In this time of horror, these people sang and dreamed of a heavenly future. After the Civil War, the whites exploited the Negro masses in factory and kitchen, forced them to perform degrading labor at starvation wages. In the midst of all this, the Negroes sang and laughed, and the white men wondered to hear this laughter, their guilty hearts filled with a secret terror, for the one thing they could not prohibit was the Negroes' laughter.

Margaret Walker, whose roots are deep in Southern life, wants to return to this land. In "Southern Song," one of the poems in her book, *For My People,* she writes:

> O Southland, sorrow home, melody beating in my bone and blood!
> How long will the Klan of hate, the hounds and the chain gangs
> keep me from my own?

Her work quivers with her people's passion for freedom, for belonging to this American earth. In writing with truth and compassion about her people and for her people, Margaret Walker is also writing about America. In the poem, "Delta," her heart bleeds for the fate of her oppressed people:

> O hunted desperate people
> stricken and silently submissive
> seeking yet silent ones!

* * * * *

We tend the crops and gather the harvest,
but not for ourselves do we labor,
not for ourselves do we sweat and starve and spend
under these mountains we dare not claim,
here on this earth we dare not claim,
here by this river we dare not claim.
Yet we are an age of years in this valley;
yet we are bound till death to this valley.

But her people, waking at last out of a deep slumber, are becoming restless, rebellious. These are the tidings of hope and deliverance she brings; her people are breaking the chains of the past that bound them.

In loose rhythmic chants that owe much to the influence of Whitman and Sandburg she records the tragedy and travail of her people, but, like Langston Hughes, beyond she beholds the dawn of a better life:

I sing of slum scabs on city faces, scrawny children scarred by bombs and dying of hunger, wretched human scarecrows strung against lynching stakes, those dying of pellagra and silicosis, rotten houses falling on slowly decaying humanity.

I sing of Man's struggles to be clean, to be useful, to be free; of need arising from our lives, of better living flowing in our laughter, of cankerous mutiny eating through the nipples of our breasts.

And it is this hope of redemption which lifts her song, "For My People," to a plane of creative affirmation and binds it to the American tradition:

Let a new earth rise. Let another world be born. Let a bloody peace be written in the sky. Let a second generation full of courage issue forth; let a people loving freedom come to growth. Let a beauty full of healing and a strength of final clenching be the pulsing in our spirits and our blood. Let the martial songs be written, let the dirges disappear. Let a race of men now rise and take control.

Frank Marshall Davis' *I Am the American Negro* expresses the familiar pattern of racial bitterness, the bitterness of rejection exploding in the violence of hate. The American Negro, a pariah, is humiliated, kept in bondage. His fatal weakness is that instead of fighting back, as Claude McKay earnestly urged him to do in the poem, "If We Must Die,"

he has adjusted himself to the role of subservience forced upon him. In crude but powerful agitational poetry, Frank Marshall Davis exclaims:

> Well, you remakers of America
> You apostles of Social Change
> Here is pregnant soil
> Here are grass roots of a nation.
> But the crop they grow is Hate and Poverty.
> By themselves they will make no change
> Black men lack the guts
> Po' whites have not the brains
> And the big land owners want Things As They Are.

Why does the Negro fail to recognize his strength, his inherent greatness?

Yet the poet cannot hate America, this land rich with the blood of his ancestors. In the poem, "Frank Marshall Davis: Writer," the poet speaks in his own person. Do people judge him to be bitter and cynical? Well, he has good reason to be.

> I was black and black I always was
> From the ebony house of me I watched days swing into weeks to months to years
> I hunted golden orchids where "All Men are Created Free and Equal" —and my skin lay raw and sore from the poison ivy of discrimination and the hidden brambles of jim crow
> I say no sensitive Negro can spend his life in America without finding his cup holds vinegar and his meat is seasoned with gall. . . .

Who said the Negro was free? the poet asks rhetorically. When he turned to his own race he found they were dancing hypnotically to the tune composed and played by the whites. At least by being bitter the Negro remains true to himself and true to the violence and cruelty of America.

Then, in *Rendezvous with America,* Melvin B. Tolson voices a proud awareness that the Negro is America, flesh of its flesh, instinct with its traditions, integral part of its achievement. The dream that spanned an ocean and developed a continent included the Negro. Driven by ambition and the desire for a new life, men of all sorts, men of all races, came to this land. It is this explicit recognition of the mingling of bloods and peoples in the making of America which recurs prominently in Tolson's work.

Into the matrix of the Republic poured
White gulf streams of Europe,
Black tidal waves of Africa,
Yellow neap tides of Asia,
Niagaras of the little people.
America?
America is the Black Man's country,
The Red Man's, the Yellow Man's,
The Brown Man's, the White Man's.

America is a symphony of many blended notes, its epics acted out by common men from all parts of the world. Daniel Boone and Jesse James sleep cheek by jowl with John Henry and Fred Douglass. Tolson praises not only Crispus Attucks but also Patrick Henry. He pays eloquent tribute to the strong black men who withstood despotism.

They tell us to forget
The Golgotha we tread . . .
We who are scourged with hate,
A price upon our head.
They who have shackled us
Require of us a song.
They who have wasted us
Bid us condone the wrong.

They tell us to forget
Democracy is spurned.
They tell us to forget
The Bill of Rights is burned.
Three hundred years we slaved,
We slave and suffer yet:
Though flesh and bone rebel,
They tell us to forget!

If Tolson knows the greatness and worth of his people, he refuses to remain silent about the contradictions that are inherent in America. Only when the country sleeps do the race-haters and Jew-baiters come out into the open. Tolson, significantly enough, derives his vision and his faith from the "New World's testament of faith and law" the Pilgrim

Fathers drew up; from the Revolutionary soldiers; from the people's army in the recent war striking down the monster of fascism. The New Negro, sprung from the loins of Nat Turner and Sojourner Truth and Harriet Tubman, is striding forward, conscious of the illustrious part he played in American history and confident of the future.

> Out of abysses of Illiteracy,
> Through labyrinths of Lies,
> Across waste lands of Disease . . .
> We advance!
> Out of dead-ends of Poverty,
> Through wildernesses of Superstition,
> Across barricades of Jim Crowism . . .
> We advance!
> With the Peoples of the World . . .
> We advance!

At present this seems to be the peculiar mission of Negro writers: to give expression to their mixed feelings of love and hate when they treat of American themes. By returning to their own people they found themselves creatively and acquired a new sense of self-respect. No longer need they apologize for their work or their color. They sing America. They, too, are America. Despite the hatred and the persecution their people have encountered, the Negro poets persist in voicing their love of this land, keeping a clear-eyed and undefiled vision of the symbol of democracy. What full-throated song, what heart-warming affirmations would find expression if they no longer labored under the curse of alienation, exiles and Ishmaelites in their own homeland. It is to the best interests of America to give its children, of all races and "classes," a place in the sun, to include them within the scope of its love and equal-handed justice. The ambivalence of love and hate from which Negroes suffer can be transcended by making the promise of democracy come true. Then "racial consciousness" will vanish like ghosts at the first flush of dawn and Negro writers will become *American* writers. There will be no Black Belts, no Bigger Thomases driven by desperate frustration to kill, no unresolved emotional tensions that may explode in either communism or fascism, no Negro prophets crying in a wilderness of prejudice and discrimination.

THE NEGRO IN SHOW BUSINESS

By JAN GOULD

WHEN I FIRST ENTERED show business several years ago, I stepped into a world which was strangely alive; a world which had no room for petty prejudices and ignorant intolerance.

I was pretty young at the time and, to my optimistic way of thinking, show business was a glamorous adventure. The bright lights, the mingling with people, the backstage discussions—these things and many more lent an atmosphere to the grueling repetition of performances which fascinated me. I felt at home with the life and, aside from the pleasure I derived from pounding the keyboard, I enjoyed the pleasure which I gave to my small but enthusiastic public.

I hailed from the South and, while realizing that there was something wrong with the way I thought, I felt superior and, at the same time, uncomfortable among the people who had no racial prejudices. My first job was with a small colored band, and in the beginning I was totally at a loss to understand what my procedure should be with regard to the musicians with whom I worked.

The dislike for and feeling of superiority to the Negro which is predominant in the South is based, primarily, on ignorance. On superstition, too, which is the same thing. Those who make the most of being white have, as a rule, little else to make them seem important in their own eyes and the eyes of others. Children are taught race consciousness from the time they are old enough to walk. I was born and raised in that part of the country and I know. They are kind to the Negro—oh, yes; patronizingly and condescendingly kind. "He, after all, can't help being what he is, and he isn't very bright, and one must, by all means, avoid meeting him in the dark because one knows what a dangerous animal he is." That's the attitude that I was taught, and I had a pretty disgusting viewpoint by the time I went north to earn a living.

Strange, then, that I should have chosen, for my initiation, working with a colored band. I can explain this only by describing the shame I felt regarding my opinions. I saw that my contemporaries in the field of

entertainment had no inhibitions so far as their associations with colored artists were concerned. I felt small and inadequate in the knowledge that my views were narrow and stupid, and I knew no way to remedy the situation other than by working with and learning to know these people about whom I knew so little.

The beautiful Negress who played the trumpet was a great help to me. I liked her appearance and her characteristics, and it occurred to me that I hesitated to become familiar with her only because her skin was darker than my own—which struck me as being a little silly. She, however, sensed my confusion and saved me the trouble of making the tentative overtures, and quite soon we were friends.

People make too much noise about delving into Negro psychology. They go at it like a butcher with a special knife for sirloin. Beef is beef, no matter how you cut it, and a man is a man, regardless of his color. There is a difference in the mechanism of the mind of each race, but so is there a difference in sirloin and beef stew. But it's still beef.

I never discussed these things with the trumpet player. We had too many other things to discuss. She had wit, charm, and intelligence, and her education exceeded my own. I found myself looking forward to our intermission conversations, and as a result of our friendship I found myself liking and admiring as individuals the other members of the band.

I've spent a lot of time in show business. I've traveled all over this country and met an endless variety of people, and I have yet to find in any color, race, or creed the musicianship equal to that of the Negro. I'm not referring to the classical field or to the so-called higher types of entertainment. I refer to dance music, the boogie woogie, straight jazz, and the torch numbers. I would rather listen to a colored swing band any day of the week than to a white one, no matter how good it is. The Negro has more rhythm, more emotion, a sharper instinct, and consequently, a keener enjoyment of the music he plays or sings. He has a natural ear, a natural voice, and a natural love for music. There is no such thing, for him, as learning to like and understand it; it's born in him.

I seem to be giving the impression that his field is limited. On the contrary, the Negro's love and understanding of music covers everything from spirituals to the most technically difficult symphony. The fact that he remains in the minority in the symphonic field is an indication only of preference.

When my booking contract with the small band expired, I went to work with a larger one, this time with a white band. I was disappointed. I found that there was less co-operation between the members of the band. The musicians, rather than being concerned primarily with the music and engagement at hand, were engaged in a private war among themselves for individual recognition. There was a great deal of quarreling, antagonism, and clashing of personalities. You might argue that this was only one band and therefore not a general example, but let me hasten to assure you that it *is* a general example. It is typical of all that goes behind the polished performance of a white band, whereas it is a rare thing among their colored contemporaries. A colored band has few walk-outs, few arguments, and rarely does antagonism exist. They play for the enjoyment of playing and, although it is their business, it is not a mechanical process with them. I don't say you can't find this among the whites; you can, but to a lesser degree.

Between bookings I composed and discussed symphonic music with a group of friends other than my show business associates, and again I encountered prejudice and superiority complexes. This group consisted of composers, artists, writers, and concert musicians who were supposedly more intelligent than Joe Average, and yet their opinions were so biased and restricted that they often left me speechless. Among other things, I was asked, "How can you sink to boogie woogie? Jazz is bad enough, but that stuff is nothing but Negro music." How disgusting of me. For that matter, how can I tolerate symphonies? Most of it is nothing but German music. And how can I lower myself to opera? A lot of that, after all, is only Italian music. As for jazz—well, Gershwin's public couldn't *all* be wrong.

I went back to colored bands after the completion of that second engagement, and I wish to state here that, contrary to the egotistical belief of the white man, the Negro is not at all flattered when he is accepted or preferred by a member of the white race. Why should he be? There have been times when I have pleaded in vain for the privilege of joining an exceptionally fine colored outfit, primarily because the white man has done little to prove himself trustworthy where the black man is concerned.

I was playing with a six-piece colored band when pegged pants and long coats first came out. My white acquaintances immediately scattered into groups to pass various judgments. Some were amused; some ex-

pressed the opinion that the clothes were vulgar; a few merely ignored the whole thing; and fewer still adopted the mode of dress. But among them all was contempt for the "nigger clothes," an expression which was immediately and loudly voiced. I don't suppose it ever occurred to the "superior" race that the colored men who wore the clothes were in the minority, and that the majority of the Negroes were equally as amused as anyone else. The models for the clothes were young men who adopted them much in the same manner as the white girls recently have taken to wearing rolled-up pants and long-tailed shirts. It's true that there were, and perhaps still are, numerous groups throughout the country whose activities were far from commendable, and it's also true that there were race riots and other disturbances, but the fact that the instigators wore "zoot suits" had nothing to do with it. There were equally as many decent and law-abiding citizens who wore them.

As I have stated previously, entertainers are much more free of prejudice than people in other walks of life. I know of no reason for this other than the fact that they come into contact with a wider variety of people, among them Negroes, and that therefore they have a better opportunity to know and appreciate the colored man. In show business, a man is judged solely for his personality and the quality of his talents, and the calibre of his capabilities has nothing to do with his color. Most of the Negro's opposition in this field is not the result of prejudice on the part of other entertainers, but rather on the part of the house managers and the booking agents who supply them with talent, and their hesitancy is produced by the obvious preference of John Public—so we're back where we started. It's the ageless vicious cycle.

In 1943 I became the friend of a man whose talent for squeezing the most out of a saxophone was unlimited. He had little formal education but he spent a third of his time with the instructive material he constantly purchased. He was not married, but was engaged to a girl who was finishing her last year at a college of music. He was quiet, ambitious, and had a fine sense of humor. He was also black.

I was working with him at the time, and he had spent considerable time and effort in organizing his small band. He had added me to his organization primarily because I had pestered him for over a year, and secondly because he thought my style might contribute, in some small measure, to the smoothness of his arrangements.

He was a pleasure to work with, and the seven men who composed the rest of the band shared my opinion. He knew what kind of a performance he wanted and he got it. Half measures never satisfied him. He worked harder than the rest of us because he wrote all our arrangements, and he strived for perfection. He never flew into a rage when a rehearsal was inadequate. He merely stopped us, said that he was not satisfied, and began again at the beginning. If this happened more than three times during a rehearsal, we were very unhappy about the whole thing, but it rarely did.

(I don't know whether you can appreciate this or not, but if you've worked with temperamental "artists," stormers, and hair-tearers, you'll know what I mean. I'm not referring to the fellow who's quiet because he's satisfied with a reasonable facsimile of the real thing. I'm talking about the man who is concerned with the quality of his performance rather than the spectacle of his own self-importance.)

This musician owned a small house just outside of town, and five members of the band lived with him. It was there that we rehearsed, and while we relaxed and talked after a gruelling session, I learned a great deal about the men with whom I worked. They were clean, both literally and figuratively, and their lives centered in their profession. Two of them were married, and one of them had four children. I mention this because of the popular conception that a man can't decently raise a family while in show business.

The club where we played was a small one and had a mixed clientele. That is to say, desirable members of all races were admitted, but there was never at any time a racial disturbance of the kind which is so frequently mentioned in connection with a gathering of that type. As a matter of fact, there was never a disturbance of any kind at all.

Always, at one time or another during the course of an evening, we had what is commonly known as a "jam session." These are invariably a greater pleasure for the entertainers than for the entertained. For the benefit of those not acquainted with the finer art of "jamming," perhaps I'd better try to explain it.

The thing is generally done in the key of B flat. The piano and drums provide a steady rhythm, which is usually rather fast, and the rest of the instruments follow each other in an improvisation which is altogether spontaneous. There is no fundamental melody required, though very

often a simple jazz melody is taken for the session. (However, the melody is hardly ever recognizable once the session is fully under way.) Each instrument takes the spotlight in turn and improvises spontaneously for several bars, the rest of the band holding the rhythm in the background. This procedure gives each musician a chance to do exactly what he wants to do while he is on the stand. He has no restrictions, no limits, and no written score to follow, and a truly good jam session is impossible to duplicate a second time. It requires a good ear and a seventh sense to follow easily and without discord the spontaneous performance of each member of the band.

The sax player with whom I was then working had a genius for jamming. He was more difficult to follow than any of the other men, due to the same desire for perfection that was apparent in his scores. The result was that we followed his example and, in addition to the sense of freedom and the relaxation we derived from a session, we improved the technique of our improvisations to such an extent that before very long the house manager was forced to expand and provide for those people who came for the express purpose of hearing and watching us jam.

During intermissions, while the rest of us smoked and rested, "Sax" —as we called him—brought out a notebook and a pencil and worked the exercises in one of his many grammar books. One day I asked him why it was so important to him.

"Well, I'll tell you," he said. "I do this mainly because I don't like the sound of bad grammar, and if I don't like it, there must be a lot of other people who don't. So—if we get the booking in that big club I'm gunning for, I figure I stand a better chance of being on an even keel with the manager if I speak his language."

Music and grammar weren't the only things Sax worked on. He worked on his house, too. When the five boys who lived with him joked about his careful selection of curtains and rugs, and kidded him about the slow but steady exchange of old furniture for new, he reproached them mildly.

"Listen," I heard him say once, "one of these days I'm going to get married and throw you guys out, but it won't be until this house is good enough for my girl."

How Sax found the time for all the things he did I'll never know. He also made recordings. Hardly a day ever passed without someone

going over to Sax's place to warble into his little microphone. I was always sorry he didn't have better material to work with because the tone quality of the records he turned out was always good. Sometimes, however, he recorded our jam sessions and, although the noise of the people in the club always filtered in, they were a collector's dream.

Sax had been gunning for the booking he mentioned for months. The only thing that was delaying it was the skepticism of the manager who feared that his profits might dwindle in proportion to the amount he cleared with a white band in his club. The fact that Sax had a white pianist in his band did nothing to alleviate the situation. In fact, it seemed to aggravate it. The manager and the booking agent seemed to feel that my presence among the blacks might arouse antagonism on the part of the clientele, which was exclusively white.

In discussing the matter with Sax, I offered to remove myself and provide him with another keyboard pounder, but he wouldn't hear of it.

"I'm not going to lose you over a thing like that," he said. "Besides, I don't think it would help. Those guys don't need an excuse—they just pull them out of the air. I happen to know we're more than twice as good as the band in there now, which is one reason why they're in and we're out. A white man will hold a black one back when and because the black one is better."

"There are a couple of fellows I know who might help," I suggested.

"That's no good," Sax said firmly. "I'll get this job on ability alone or chuck the whole thing."

Sax went every day to see the booking agent. He went every other day to see the manager. He invited them both to the club where we were then playing, and he never went to either office without the pile of recordings he'd made of our jam sessions. He also began making other recordings of some of our arrangements, and he worked us harder than ever before.

He got nowhere with the manager, but the booking agent began to make a point of dropping in at the club for a few minutes each night, and he was obviously interested in the band. When he talked with Sax he invariably suggested a spot for us in some other club, which Sax also invariably turned down.

"Look," Sax told him one night, "it's not just a matter of getting a job. I know of a dozen clubs for which I can get bookings without any

trouble at all. Some of them pay better money and some of them don't, but none of them has any more prestige than this one, and going into any one of them couldn't be called progress—not by any stretch of the imagination."

The agent was surprised.

"I thought the idea was to make more money," he said.

"The idea," Sax said quietly, "is to prove that my stuff is as good as that of anybody else in this business, and the only way that can be done is to give it to an appreciative audience. I could get that kind of an audience, I think, in the club that won't even consider giving me a chance."

The agent was impressed, and he plugged the band for all it was worth. The manager, however, was adamant.

A couple of weeks later, the agent breezed into the club one night and cornered Sax during an intermission.

"Listen," he said, "I've got an idea but I don't know what it will be worth to you. There's a place about fifty miles from here where a jive session is going to be held tomorrow night. I think about twelve bands are expected and it's for the purpose of raising funds for an organization of some kind. I happen to know that a lot of club managers will be there, and the guy that runs Club X may be there, too. Your color won't make any difference out there. You won't get paid for the job but every small band is welcome and it might turn out to be a break for you."

Sax discussed the matter with us and we were enthusiastic about it. The following evening, the boys put their instruments in Sax's old car and we piled in after them. We lost little time in reaching the appointed place, and found eight bands already there when we arrived. Two of them were small, mixed bands we'd never heard of, but the other six were exclusively white and had already gained slight recognition.

"Nervous?" I asked Sax.

"A little," he grinned. "We've got to be good."

We were. We were better than that. There wasn't another band there that could equal the smoothness of our arrangements, or the perfect co-ordination of the instruments. We jammed, too, and better than we ever had before.

The manager we'd hoped to see was there, and Sax approached him after the show.

"How did you like us?" Sax asked.

"I liked you fine," the manager said, frowning, "but what I said still goes. I've got to make a living, you know, and I simply can't put a colored band in my place. The people I cater to wouldn't stand for it. I'd lose most of my business after the first night. I know you're good but you're black. That's all there is to it."

"What kind of a deal is that?" Sax demanded angrily. "I'm clean, I'm honest, and you said yourself I've got a good band. Don't the people you cater to appreciate quality?"

"Look, why don't you try some other white manager? There are plenty of places around where colored bands are hired."

"Sure," Sax sneered. "Dives. Joints. Hot-lick holes. What makes you think I want to work in a place like that? That's not the kind of stuff I play. My music isn't to be yelled over while a bunch of drunks pass out by the bandstand and neck all over the place. I don't furnish noise. I furnish music."

"There are good clubs, you know, that hire colored bands," the manager retorted angrily.

"Yes, and somebody had to give them a start."

Sax turned away and told us to get in the car. He was silent all during the drive back to town and his voice was heavy when he told us to report for rehearsal the next day.

I slept very little that night. I was too angry. The whole thing seemed such a farce to me, and the unfairness of it made me almost ashamed of my color.

The next morning I went to the city editor of the newspaper I'd worked for off and on for some time between shows.

"Listen," I told him, "I want to do a series of articles and I want to make them pretty strong."

"What about?" he wanted to know.

I briefly told him the situation and said I wanted to write the articles around the manager's reason's for refusing us.

"You'd better write a book," he said, laughing. "I haven't got that kind of a paper."

" 'That kind of a paper?' " I echoed. "That's the silliest thing I ever heard. Neither does the manager have 'that kind' of a club. I don't want to write scandal copy. This is important. Don't you see how much a series

of articles about racial prejudice would help? *Some*body will get interested enough to help fellows like Sax."

"I can't do it," the editor insisted. "There's enough trouble already with those race riots raging all over the East. Want to start one here?"

I was miserable when I went to rehearsal that afternoon. The other members of the band were too, and Sax didn't even bother to reprimand us or make us repeat the numbers we made a mess of. I could see that he was getting fed up with the entire thing. Our performance at the club that night wasn't up to par, either, and it was noticeable.

Two weeks later there was such a difference in the way we played that it might have been an altogether different band. We didn't bother to learn any new arrangements because Sax didn't bother to write them. We played mechanically, and sometimes our rendition of a number was actually sloppy. I spoke to Sax and said we would probably get fired if we didn't do something about it. Sax laughed in my face.

"Look at them," he said, pointing to the crowd in the club. "It's all the same to them. They're having just as much fun. They don't listen to us any more, but they keep coming—from habit, more than anything else."

"Is this what you put in years of hard work for? Are you such a weak sister that you have to quit the first time you come up against a wall?"

Sax gave me a tired smile.

"I've been fighting this sort of thing for a good many years," he said. "Gets pretty tiresome after a while."

"Yes, but you've kept fighting and have come this far. Why give up now?"

"You can't understand what it is," Sax said. "You don't know. You're white."

Well, there wasn't much I could say to that. It seemed foolish to me that he should throw away years of hard work and the small amount of success he'd gained, all because of a narrow-minded house manager. I knew there were other managers in the world, and I also knew that somewhere there was one who could give Sax his chance. But despair is a dangerous illness. A person can take just so much of the same disappointment and then he quits. I know that all this was true in the world of white men, and I could understand how it could be even more so

among men who fought even harder for every semblance of recognition they received.

Sax tried. He did all he could to pull the band back up to its former level, but something had gone out of the boys, and they no longer cared about perfection. All they cared about now were the pay checks, and for the customers they provided a steady, monotonous rhythm, and little else. I stayed with them for a while, and then I finally quit, not entirely because I could see I was getting nowhere, but also because I was afraid my style would become so flat and stereotyped that I'd be no good for anything better. I didn't want to become a mechanical musician. I figured there were already enough of them.

I did not, however, stop seeing Sax. I went to his house when I had the time to spare, and I tried to arouse in him his former enthusiasm. He seemed lost and his complete dejection made it impossible to get through to him. There was also a wall between us that I finally knew I couldn't break, although it was never put into words.

Sax is one of a countless number of Negroes who are so continually pushed into the background that they eventually lose all interest in the thing that once meant the most to them. They have the talent and the ambition but where, with a white man, it is merely a matter of keeping at it until he makes the grade, a colored man must, in addition, fight racial prejudice along with competition. It's twice as hard and twice as discouraging, and it's appallingly unfair.

It's true that more and more colored musicians are coming to the fore because their talents can simply no longer be ignored, but there are countless hundreds who forever remain in the background and eventually fade completely out of the picture because of a stupid jealousy and intolerant ignorance that exists among white people. This has got to be stopped, and I believe that, eventually, it *will* be stopped. The Negro in show business is a valuable asset to this country's civilization, and I hope that I will live to see the day when he will harvest the reward he so richly deserves.

"THEY THAT DID FEED DELICATELY ARE NOW DESOLATE"

By T. SWANN HARDING

FAMINE is an ominous and a baleful word. Little did we ever think it might apply to the white master race in time of peace. Yet it is not mere far distant Chinese and Indians who starve today, as they have for ages past, but European Caucasians. As he who wrote Lamentations put it: "The young children shall ask for bread and no man breaketh it for them; they that did feed delicately are now desolate in the streets." Moreover the inspired writer comments that those slain by the sword are better off than those slain by hunger, "for these pine away, stricken for want of fruits in the field."

Today, whereas we in the United States have been consuming food daily at an average rate of 3,400 calories per person, the urban population of Europe is lucky to be allocated 2,000, where malnutrition begins, and to get an average of 1,500—and, as everyone knows, a lot have to drop far below any average figures. In France the ration is half a loaf of bread a day, and most of their diet is bread. In Italy the bread ration, including the staple spaghetti, is considerably less. In Europe a hundred million go tragically undernourished and in Asia many more. Everywhere food production capacity is devastated and disorganized, labor is displaced, fertilizers, supplies, seed and equipment are scarce, and malnutrition grows apace. It goes without saying that unrest feeds on hunger.

Is famine then altogether a new thing? It is not for Asia; it is for modern Europe. Yet, as the final report, issued August 14, 1937, by the League of Nations' Mixed Committee on the Problem of Nutrition, demonstrated fully, undernourishment was a common global phenomenon before World War II. This report offered a melancholy comment upon our inability or unwillingness to see that all citizens of the world were well-fed.

The report covered Europe, the British Dominions, South America, and the United States. It showed widespread malnutrition even in coun-

tries of presumably high living standards—Sweden, the United Kingdom, and the United States. Conditions were far worse in central and eastern Europe, while Asiatics, Africans, "colonials," and "natives" simply never knew what it was regularly to eat sufficient food. Only the top 10 per cent in Britain fed adequately; the 20 per cent in the next lower income classes lacked sufficient of important food elements; below that standards deviated widely from the adequate. The same conditions prevailed in South Africa and in Australia.

In the United States a third of the population has been habitually underfed, as studies by Government agencies, confirmed by Public Opinion Polls have amply proved. Before the second world war two-thirds of the world's people derived 80 per cent of their calories from cereals, which is far too much. While people in the United States, the United Kingdom, New Zealand, Australia, and Switzerland derived only 30-40 per cent of their calories from cereals, the percentage was 40 to 70 in almost all Europe, and South and Central America as well, and 70-80 in Asia, Africa, Poland, Bulgaria, Yugoslavia, and Rumania.

Before World War II at least 75 per cent of all Asiatics had diets below European and American standards of adequacy. If fully fed, the world would then have had its cereal production expanded 50 per cent; meat, fish and poultry production 100; vegetable-oil production 125; and fruit and vegetable production over 300 per cent. Even in the United States, to have all been fully fed, we should have been consuming 4 to 8 per cent more meat, poultry and fish; 15-25 per cent more eggs; 30-40 per cent more tomatoes and citrus fruits; 70-80 per cent more milk and milk products; and 125-150 per cent more green and yellow leafy vegetables.

Superimpose upon this chronic peacetime situation a global war as destructive as the one just ended, with all the impoverishment, confusion, devastation, and dislocation entailed, and the world food needs must inevitably become acute indeed. Nations accustomed to produce food in surplus found themselves suddenly saddled with providing nourishment for what were essentially tremendous new populations. Yet the pattern of agriculture in these nations had not been shifted to make due provision for this situation.

Take our own country as an example. In order for it to feed double its present population without undue strain upon its agricultural resources, it would have to reflect that an acre under potatoes produces 4

million calories, under wheat 2 million, but under grazing cattle only 200,000. If used to provide feed for milk cows the acre's calorie production is 666,666. It requires 7 pounds of corn to produce 1 pound of dressed pork, and a person stranded with a shoat and a ton of corn meal would be better advised to eat the meal than to attempt to feed it to the shoat and eat the hog.

The shift from meat, butter, and eggs, to dried beans, dried peas, soybeans, potatoes, and cereals holds many possibilities of feeding greater numbers. Why didn't we make the shift and thus rise to the current world food crisis? We did not for perfectly good reasons. The wartime demand upon us was for concentrated high-protein foods, meat, milk, eggs—that would keep the British people and the Russian Army in the war. In responding to these demands of our Allies we geared our entire agricultural productive system to the increased feeding of grain to livestock and to poultry. We successfully did what was required of us to win the war, though this procedure unavoidably left us less able to cope with postwar world famine than we might otherwise have been. Our grain reserves were exhausted.

At the war's end, while we addressed ourselves rather naturally to the problem of trying to feed all our own people adequately, we did not at any time lose sight of the precarious world food situation, nor did we think for a moment either that the crisis was temporary or that we should be exempt from doing our utmost to help others meet it. During wartime average incomes were high in this country and most of our people, many for the first time in their lives, could afford to buy ample food, but were shocked to discover, for the first time in our history, that currency could not always be exchanged readily for desired food products.

After the war ended the basis of rationing shifted from ration coupons, which had distributed what food there was better than we have ever done at peace, to dollar-bill coupons. Whereas at war the wealthy—black-market operations excepted—ate less well than at peace, low-income groups and the underprivileged ate better. Now, with the basis of food rationing having undergone transition and much unemployment anticipated, which would have prevented many from getting the dollar-bill coupons to buy food, we first endeavored to devise means of feeding all our own population adequately. Secretary Anderson consistently called for no let-down in food production all through the last half of 1945, and

full production was planned by agriculture, regardless of what industry did.

But, in September 1945, the Department of Agriculture's Office of Foreign Agricultural Relations began a press release by declaring that the world food situation was growing increasingly grave. It went on to explain that total world farm food production for 1945-46 would drop at least 3 per cent below prewar averages in terms of calories, which would mean a 10 per cent drop in per capita output, after making due allowance for the world's net increase in population during the war. Carry-over stocks of major foods were then sharply reduced; supplies of rice, sugar, fats, and oils fell far below prewar levels.

Of the world's various major geographical regions continental Europe, exclusive of Russia, and North Africa have experienced the greatest decline in food production—something like one-fourth below prewar averages. Rigid economies in food processing, such as the use of higher extraction rates for cereals in flour manufacture, slightly increased the quantity of food obtained from a given amount of farm production, but that was insufficient.

While Russian food production was cut sharply by the war, it will be somewhat larger in 1946 than in 1945, when it exceeded the 1944 level. Nevertheless, it will remain considerably under prewar levels. Production prospects are only slightly more favorable in the United Kingdom. Production of food in the Middle East *may* exceed prewar averages by 10 per cent, and allow some for export.

In India and China, where nearly 40 per cent of the world's food is produced and consumed, the 1945 output *may* equal the prewar average —which often permitted widespread famine. But production will be far below that average in Japan and other areas of the Far East. Japan is normally quite as dependent upon imports as is continental Europe, and its current food production is as much below prewar levels as is Europe's. Areas formerly under Japanese occupation have suffered quite as severely.

Continental Europe, exclusive of Russia, will require about 18 million tons of food imports during 1945-46, *merely to lift legal nonfarm supplies in liberated countries to an average of 2000 calories per person per day, to permit some increase of imports to neutral countries, and to provide minimum supplies necessary to prevent widespread disease and unrest.* The total should comprise roughly a half billion bushels of wheat (15-16

million tons), a million tons of fats and oils, 750,000 tons of sugar, and substantial quantities of dry legumes, meats, and dairy products.

North Africa, also sadly in deficit as noted above, will require 2 million tons of grain. The Far East could be assisted considerably by net imports of 3 or 4 million tons of cereals. An estimated 2 million tons, mainly wheat and rice, would prevent acute food shortages in urban areas of China, and India needs the same. Japan, the Philippines, Ceylon, and the Netherlands Indies all require additional cereal food.

Despite its high level of food production the United Kingdom will require approximately 5 million tons of wheat, 1¾ million of meat, a million tons of oil or oil products, close to 1.5 million tons of sugar, and 300,000 tons of dairy products—merely in order to maintain the present restricted rations. What is being done to meet these needs? Who will provide the required food supplies?

By September, 1945, Allied armies had delivered more than 11 million tons of supplies for civilian use in France, Belgium, the Netherlands, Luxembourg, Italy, Yugoslavia, and Greece, billing these countries for them. Half of this total came from the United States, half from Great Britain and Canada. But these countries have limited ability to pay. Disrupted internal transport and lack of coal increase the food problems of most European nations.

In late November, 1945, President Truman pledged that "the American people will not sit idly by with foodstuffs while other countries are starving." Secretary of Agriculture Anderson made similar strong pleas for the starving Europeans and stated we could aid them greatly without cutting our own nutrition standards appreciably, if at all.

In November, also, the State Department released a grim report telling about 140 million hungry and homeless men, women and children in Europe, 84 million in China, and 130 million in Southwest Asia. Most of them were suffering from hunger, disease, idleness, and poverty. Sickness and hunger breed political unrest, internal strife, unrepresentative government, demagogues, and dictators. The United Nations organizations can never become what we hope them to be if people are hungry and governments unstable. Europe needs food to forestall catastrophe.

On February 5, the British heard grim and dismal news over their radios. Sir Ben Smith, Minister of Food, told them that grave worldwide food shortages made necessary a cut in butter and fats, a return to the

dark wartime loaf of bread, decreased livestock, bacon, eggs, and poultry. One of the bitter fruits of victory was that Britain must reduce food consumption and possibly eat less than during the darkest days of war. That means a nutritionally inadequate diet for them.

The following day the President of the United States strongly suggested that Americans adopt a more healthful diet—fewer calories—to help solve the food crisis in Europe. Actually sedentary workers need no more than about 2,400 calories, otherwise they simply lay on fat which impairs efficiency. Meanwhile 125 million Europeans consumed only 2,000 calories daily, 28 million got less than 1,500 calories, and in some parts of Europe large groups received as little as 1,000, upon which only the barest subsistence is possible. For it actually takes a human being of normal size about 1,700 calories daily merely to be up and around. In other words, these worst-off Europeans get the daily caloric equivalent of about three chocolate bars, a half dozen sweet Manhattan cocktails, or four pints of beer. Think that over.

In asking the American people to assume their part of the world's food burden the President declared that the wheat extraction rate in making flour, which simply means the quantity of flour produced per bushel, be raised to 80 per cent, in order to save 25 million bushels of wheat. The resultant flour is still not as healthful and nutritious as it could be made by further heightening the extraction rate. To call this quasi-compulsory conversion to more beneficial bread a sacrifice is to misuse words.

Another 20 million bushels of grain were to be saved by discontinuing the use of wheat and limiting the use of other grains for the production of alcohol and beer. Grain being used to feed livestock and poultry was to be further conserved for human use. We shall get a bit tougher meat and considerably less poultry as a result. Finally we are to export 375,000 tons of fats and oils and 1.6 billion pounds of meat during 1946. Appropriate government agencies worked to put these plans into operation.

In cold statistics of more recent vintage the world is producing this year 12 per cent less food per capita than in prewar years; in Europe the difference is 20 per cent on food in general, 36 on wheat. The Philippines are 40 per cent short of their principal food, rice. Whole regions of China went into winter with little or no food supplies. Domestic production provides Japanese urbanites with only about half as much food as they

ate before the war. In India cereal rations of urban people have been cut from 16 to 12 ounces a day each, and the former provided only half the calories consumed by average Americans. The Norwegians who, because of their cold climate, needed the 2,900 calories a day they ate before the war now get less than 1,300. Around the world the story is the same.

World cattle numbers have decreased 13 million head, or 2 per cent below the 1936-40 average. The world's corn production for 1945-46 is estimated at about 4 per cent below 1944-45. Farm production per acre and per animal has increased since 1939, but the world's population has also increased a hundred million, of which forty are in India alone. The need of the Orient for wheat is uncommonly high because of dislocations in rice growing in the chief producing countries. It will be a long time before Europe's losses in machinery, fertilizer, seeds, and so on will be made good. The world may have to concentrate on the siege economics of intensive cereal production for four or five years, as a leading British journal said recently. (*New Statesman and Nation,* March 16, 1946.)

Europe has been accustomed to import about 10 per cent of its total food supplies, at peace; this includes food produced from imported feed. European food production has declined in both quantity and quality during the war. Yet, despite the war, Europe shows a population increase. While we produced a third more food during the war than we had been doing at peace, Europe meets its increased population with decreased food production. Agricultural supplies, labor, and draft power are all scarce.

The diet of continental Europe deteriorated during the war. Its caloric intake slipped down 15 per cent and, simply because averages are too deceptive, this represents a serious situation indeed. For the 40 per cent of Europe's population on farms managed to eat about as usual. Hence urban people suffer terribly, both because rural people are reluctant to part with food and because transport is lacking to get it where it is most needed.

In 1944 the normal European consumer ration (if fully available) plus a generous allowance of unrationed foods, mainly fruits and vegetables, provided an average of but about 1,750 calories per person in Belgium, 1,600 in Norway,, 1,400 in France, and even less in some other areas. Germans probably averaged 2,000 calories until the breakdown at the end of the war. Denmark was almost alone in maintaining domestic food consumption at high levels and still exporting substantial quantities.

In some parts of some countries average consumption in terms of calories dropped as low as 600 to 1,200 daily.

Again, what does this mean in terms of actual foods? For purposes of comparison remember that a half pint of milk contains 170 calories. Each of the following is equivalent to 100 calories: two small slices of white bread, a half a doughnut, two macaroons, six lumps or two tablespoonsful of sugar, a medium-sized potato, a large orange or apple, a good helping of oatmeal, a banana, four medium-sized prunes, three or four sardines, or four-fifths of an ounce of cheese. Make comparisons and see what it means to get only 600-800 calories a day.

A decline of 10 per cent in the food supplies of continental Europe as a whole actually means a decline of nearly twice as much in supplies available to the great majority of urban middle- and low-income groups. Like the farm population the wealthier classes suffer less, if at all. Finally the fall, winter, and spring of 1944-45 brought poor growing weather to most of Europe.

Hence the continent's production of food to be consumed in 1945-46 is certainly lower than at any time during the war. Reduction in output, coupled with Russian requisitions, eliminates the possibility of eastern European countries, normally a surplus food area, exporting enough food to cover deficits in western Europe. Hence food must come from outside Europe to prevent disaster. Where will it come from?

Secretary Anderson stated months ago that we could provide 1.3 billion pounds of meat of the lower grades, over and above what we actually need ourselves. This would amount to less than 19 pounds per person per year in the United States, say the sacrifice of a couple of hamburger cakes a week. Even if we sent that much meat abroad we should still have 21 pounds more per person per year in 1946 than we consumed in prewar years. We have cereals and dried legumes in abundance which we could readily spare, as well as certain types of canned fish.

Do not get the impression that the United States must provide all or most of the food relief, even when financing is effected, for that is untrue. The food shortages of 1945-46 will be met about like those of 1942-44, when we supplied one-third, Canada and Argentina about one-sixth each, and Australia, New Zealand, Brazil, and India the remainder. New Zealand and Australia have continued to ration dairy products to provide greater quantities for export. Canada reinstituted meat rationing

for a similar purpose. Denmark and Sweden are conserving food domestically in order to leave some for export.

After all the Western Hemisphere is the only major area of the world where food production is now appreciably above prewar levels. North American food production is up about a third; that of South America is a quarter higher, given favorable weather conditions—which did not obtain there last season. This area is therefore best situated for exporting food.

Our duty is plain. It is only the part of simple common sense to help provide food to hungry, impoverished nations so as to prevent widespread epidemics, disorder, bloodshed, and death from starvation. Humane and political considerations both bid us honor our obligations here. Nor can we even hope to be prosperous economically if we leave large regions of the earth festering sores and pest holes of poverty.

Our "sacrifice" is negligible, even given our present pattern of food production. If we cared to change this even a little we could do vastly more and still have a nutritious diet for ourselves. In doing so our diet would veer some towards increased consumption of leafy green and yellow vegetables, potatoes and sweet potatoes, dried beans, peas, and nuts, tomatoes and citrus fruits, and whole-milk products; and away from eggs, meat, poultry, fish, fats and oils, sugars and syrups.

Such a diet would contain plenty of good animal proteins to meet our needs, as much cereals as at present, and would lop off a lot of calories we do not need. Production of such a diet would make far more efficient use of our entire farm and food-producing plants than is made at present. Carried to the extreme it could enable us to provide a nutritious, healthful diet, on a different pattern from the present one, for twice as many people as we now have in continental United States.

Meanwhile, merely by curtailing our shameless waste of food—and we do waste at least a fifth of what we harvest—we could recoup sufficient to feed a group of people as large as the maximum we maintained in our armed forces during the war. Our efforts to help a famished world represent a merely normal, decent frugality in the use of food and the adoption of a more healthful diet.

What have we done? How has this affected our domestic food situation? On February 9, 1946, the President issued his nine-point directive for governmental action to fight famine. This involved the use of less

wheat in making alcoholic liquors, an increased grain extraction rate in making flour, control of millers', bakers' and distributors' inventories, faster movement of essential foods by rail, and an effort to export 375,000 tons of fats and oils, 1.6 billion pounds of meat, and more dairy products than hitherto anticipated, during 1946.

Very soon after that the Department of Agriculture announced revised farm production goals increasing the acreage of wheat, of corn, and of soybeans by a million or more each, and of dry smooth edible beans by 100,000 acres. The President's Famine Emergency Committee met all day at the Department of Agriculture March 11 and asked citizens voluntarily to reduce their consumption of wheat products by 40 and of food fats and oils by 20 per cent during the next 120 days. This voluntary program subsequently proved inadequate. Chester Davis, chairman, and Herbert Hoover, honorary chairman of this Committee widely stressed world food needs.

The Victory Garden program was reanimated and pressed with great force, instructions were issued to consumers, dealers, and processors on how to conserve food, and an appeal was made to the entire world for aid in meeting the food fats and oils crisis.

All agreed that the immediate problem was to conserve wheat and to ship abroad as much as possible. Wheat does not spoil readily, is easily transported, and offers an ideal stopgap food to hold starvation at bay until more fundamental measures could be taken. Corn conservation measures were undertaken, the purchase and use of feed grains was restricted, and special price incentives were provided to entice farmers to sell their wheat to government for shipment abroad. The existing tight feed situation made this more difficult to accomplish than normally.

During the period January-March, 1946, we exported 100 million bushels of wheat, though our goal was 112.5 million. The goal for the April-June quarter is 125 million, making a total half-year goal of 225 million bushels. During the July-December, 1945 period the world's import requirements were met. But on April 15 these stood at 784 million bushels, and the principal wheat exporting countries had only about 400 million bushels of wheat to meet them, plus a possible 40-48 million bushels of rye, corn, oats, and barley.

It was hoped that Canada would export 150 million, Argentina 28, Australia 35, and the United States 225 million bushels between January 1

and July 1, 1946. On January 1 we had on hand in the United States 689 million bushels of wheat, of which 90 million were to be used for feed, 23 million for seed, and 150 million as the July 1 carry-over. This totaled 263 million bushels, leaving 426 available for domestic use and export together. If the 80 per cent flour was used, then domestic food use would still take 250 million bushels.

But that would have left us with only 176 million bushels of wheat to meet export commitments of 225. This deficit of 49 million bushels had to be made up, and it was unsafe to do this out of the carry-over alone. Hence an order was issued in mid-April to limit the domestic use of flour to 75 per cent of that used in the corresponding period of 1945. This order, ably advocated by Secretary Anderson, appeared to be the only step that would enable us to attain our January-June, 1946 wheat export goal.

Subsequently the government announced a bonus of 30 cents per bushel on wheat which it purchased for famine relief. This rapidly drew millions of bushels out of elevators. On May 8 increased price ceilings on grains were announced. These steps mean less pork, less top-grade beef, and fewer chickens and eggs for us next year, though our total supply of these foods will still exceed prewar levels. Special efforts will be made, however, to maintain milk production at present levels which, though very high, have never attained those needed to enable all of us to have milk and milk products in quantities nutritionists advise.

This recalls to mind the Psalmist who wrote "He should have fed them also with the finest of the wheat." Now what will this sacrifice do to us? Remember that millions of Europeans are on what the *New York Times* has rightfully called "a Belsen diet." Hunger is more widespread on the continent than at any time under Nazi rule. Millions there average only 800 calories a day, while 2,000 is the bare minimum to maintain health. The ration in the British occupation zone of Germany is 1,000 calories; it is only 1,250 in the American zone, while in some Vienna towns the ration is half-Belsen, or 441 calories per person per day! Hunger stalks in Poland and elsewhere.

How about us? Though our domestic per capita food consumption was lower in 1945 than in 1944, it was still 9 per cent above the 1935-39 average. We shipped out of the country also almost as much food as in 1944. Our domestic food supplies increased largely because military re-

quirements declined to a third or fourth their top level. But we again had bumper crops, near-record livestock production, and excellent growing weather last year. This we cannot guarantee for 1946.

But the latest report says that in 1946 we shall have *more* meat, fish, poultry, eggs, fluid milk and cream, ice cream and, *perhaps more* cheese, evaporated milk, fresh fruit, and processed vegetables than in 1945. We may look forward to less butter, margarine and sugar, and about the same other fats and fresh vegetables. We shall undoubtedly average well above 3,000 calories each, though some of us will quite as certainly get more than that, while too many of us will almost as surely go underfed.

Yet our young children will not ask in vain for bread, nor will those who once fed delicately be found desolate in our streets. That will be reserved for India, for China, and for Europe. Every sound reason, humanitarian and political, urges us to feed the starving. Our people overwhelmingly advocate this course. Stable peace cannot reign in a world half-starved, half-fed, and demagoguery thrives among the famished.

* * *

To summarize, in the light of the very latest information at this writing, the world's food margin has been small for many years. The world has considered itself sufficiently supplied with food because the upper-income classes got plenty and the middle-income classes could buy all they wanted when they had the money to do so. The poor always suffered from malnutrition or starved in all countries at all times, but in Asia, colonial countries, and Africa worse than elsewhere.

Since 1939 the human race has been too busily engaged in decimating itself, exterminating its enemies, and destroying agricultural, industrial, and personal property to carry on food production at normal levels. That is true as a whole. However, certain surplus food areas, like the United States, have managed to increase food production even under wartime conditions, but it must be remembered that we are an export area in the main because our own people never have all been fed complete diets. Even today we produce insufficient food to supply ourselves at top dietary levels recommended by nutrition experts.

Hoover, Lehman, and La Guardia have fully dramatized an already existing condition of world famine. That this condition was not recognized earlier and more done about it is unfortunate, but it was not really

presented to the American people in any effective form until late fall, 1945, because complete details were lacking. With the best will in the world UNRRA, the Combined Food Board, and the Department of Agriculture simply cannot pass a miracle and bring sufficient food for the world's teeming millions into existence by magic. That much food simply does not exist.

Moreover time is wasted in recrimination and finding culprits, as the London *Economist* said recently. Each nation in the world acted as wisely as it could in the matter of food production during the recent continuation of a world war which has lasted since 1900 and probably has some years yet to go. When the armistice came the status of the nations changed abruptly, wartime policies were no longer adequate, new peacetime food policies simply could not be formulated and put into operation over night, if for no other reason than that it takes grain and livestock some time to mature.

Before the change could be effected, the world's food situation deteriorated rapidly to true famine. The Western Hemisphere can do more than it has done to aid the starving. Much more drastic measures could and may be taken which, for instance, would still leave us an average 3,000-calorie diet sufficient in other essentials. At least those at higher levels of income in this country would not suffer malnutrition. But even the most drastic seizure, rationing, and export of food cannot possibly enable the so-called surplus countries to meet the world's entire present need.

We shall be in food difficulties in a world sense for four or five years, perhaps until the recurrent global war breaks out all over again. During that time we must alter our pattern of food production as rapidly and completely as we can to make our agricultural resources produce the greatest possible amount of nutrients—palatability and kinds of foods being secondary, until things become more normal. Meanwhile we must all suffer privations, for it is one world and, willy nilly, the United States forms an integral part thereof. For the long-time solution of world food problems we must look to the United Nations Food and Agriculture Organization, and do everything we can to strengthen it.

A STORY

FULL RESPONSIBILITY

By SYLVA GROSSMAN

MY GRANDMOTHER is seventy-six years old. She is slender and neat and her back is straight. She supervises the running of our house. She is nearly blind, but she can see a car in the street. She sees a huge, ominous bulk. She crosses the street by looking carefully for large objects, and by listening, and then she goes right across with her head high and her eyes ahead, so that if a car should come up suddenly she wouldn't see it. She reasons that if she doesn't know it's coming it won't frighten her. I think that's the way she reasons. She says, airily, "Oh, I can see. I'm not as bad as you people think."

My grandmother has several younger sisters. One of them is Aunt Mattie, a child of fifty-five. My grandmother looks on her as inexperienced and immature. We always get the family news from Aunt Mattie, sometimes garbled.

Next comes Aunt Esther, who visits my grandmother every other Saturday. My grandmother regards Aunt Esther as a dubious character, because Aunt Esther wears high heels and has a man friend who might marry her. Grandma says an old cow like that should behave herself and mourn her husband. Aunt Esther's husband died ten years ago, after a lingering illness.

My grandmother has two brothers living in the East, and one more sister, just fifteen months younger than herself, who now lives about a mile from us.

When we lived a long way from Aunt Sadie she and Uncle Sander came to see us several times a year. They have a Dodge, a very clean car. Uncle Sander dusts it every morning around nine o'clock.

Uncle Sander hasn't worked since he was thirty years old. My grandmother told me how, after he married Aunt Sadie, he bought a little variety store, and then had no money for stock. He came humbly to my grandmother and grandfather, and they "borrowed" him twenty dollars. He only asked for fifteen. Some years later Uncle Sander bought the building next to his store, and within ten years he retired. He and Aunt

Sadie lived comfortably on their income, and never touched their capital except to add to it, and bought a new Dodge every year. The war forced them to keep their old car, but Uncle Sander raised the rents on his stores in revenge.

Uncle Sander buys gas two gallons at a time, and rationing never inconvenienced him, because he never drove except on Sunday.

One afternoon, soon after the end of the war, we saw Uncle Sander drive up slowly. He parked his car, but before letting Aunt Sadie out he walked around to see if the wheels were close to the curb. The back wheel was about six inches away, so he climbed back in the car and drove forward, backed, and got out to look. This time it was all right, so he opened the door for Aunt Sadie, gave her his hand, and pulled her out. Aunt Sadie has her corsets made for her.

I stood in the window, behind the drape, and described the scene to my grandmother. She giggled.

Uncle Sander and Aunt Sadie came in, greeted us, and sat down on opposite ends of the sofa. Aunt Sadie ran her hand over the top of the end table, automatically, and spoke her line absently.

"Dusty. You should get after that colored girl."

Uncle Sander said, jovially, "Well, how are you, Grandma?"

He likes to say "Grandma" to my grandmother. They are the same age, but he seems to feel young when he reminds himself that he has no grandchildren. He once said he'd rather have no grandchildren than have a girl. At the time my grandmother told him those grapes were sour.

Grandma said she was fine, and, Sadie, how was she?

"What's the use of complaining?" said Aunt Sadie complainingly. She always says that. She has trouble with her circulation.

Aunt Sadie asked for my father, and I said he had gone to a union meeting. Uncle Sander sighed.

After more family talk, in which Aunt Sadie ridiculed Aunt Mattie, Uncle Sander pulled a letter out of his vest pocket. He put on his glasses and squinted through the bottoms to read. I thought the letter must be in German. It came from my grandmother's cousin. I looked over Uncle Sander's shoulder and saw that the writing was clear, and in English.

It was an appeal for help. Cousin Lotte, her husband, and two children, had escaped from Germany, and after a few months in Prague, had moved to Budapest. They had managed to live through the bombing and

fighting, but now they wanted to come to America. Cousin Lotte was a pediatrician, her husband a coffee tester, and they could take care of themselves. They wanted an affidavit from the family certifying that they would not become public charges in the United States.

Uncle Sander finished reading the letter, folded it, put it in his pocket, and said, "Well, Grandma, what do you say?"

My grandmother shook her head.

"It's a shame, such fine people. When they come I'll make Lotte some strudel. She always liked it."

Aunt Sadie tossed her head, careless of the stiff grey curls.

"I tell Sander," she said, "there must be something wrong with them if the Germans were chasing them."

I opened my mouth, but Aunt Sadie pointed her finger at me, and said, roguishly, "Shut your mouth, this is a family affair. When are *you* going to get married and have babies?"

Uncle Sander frowned and brought the conversation back to an adult level. "You know, if we send an affidavit, we'll be legally responsible for them. If they can't take care of themselves the government can make us support them. You have to think of that."

"But to save the lives—" I began.

"Nobody's killing them," said Uncle Sander deprecatingly. "They want to come here, that's all. Oh, they probably had plenty of trouble. Lotte's husband was one of those loud-mouthed Socialists."

"But she's a doctor," I said, "and a doctor—"

"Foreigners can't practice in this country," said Uncle Sander. "You don't know the law."

"Oh, for heaven's sake—"

"Please!" said Uncle Sander, biting his lower lip, "I came to talk to your grandmother. Why don't you go out and ride your bicycle?"

There was a general laugh at the idea of a schoolteacher riding a bicycle. I went out.

Nothing was decided. I told my father the story. He said Sander was a horse's ass, but he thought I was wrong in my hunch that Sander would do nothing.

A month passed. Aunt Esther came to see us one Saturday, and said that Sander had done nothing. Aunt Esther was anxious to take up a collection and send Lotte some money.

"You know," she said to my grandmother, "it's only money that worries Sadie and Sander. I said to Sander, I said, 'Sander, you always were so tight you stink, but you give what you want and I'll give double.' That's what I said to him."

"What did he say?" I asked.

Aunt Esther sneered.

" 'Why send money?' Why should Sander send money when they didn't ask for it? So he didn't send money, and he didn't answer the letter."

I told my father that evening. He was home when Aunt Sadie and Uncle Sander came the next day.

Uncle Sander had another letter. He gave it to me and I read it aloud. Cousin Lotte and her family were in Poland. The Nazis were terrorizing all decent people. They had been advised by the American officials that if the affidavit were secured they could leave. They needed a little help, not much, just for food.

Even Aunt Sadie sat silent. My grandmother crooned to herself in sympathy with Lotte.

"Give me the letter," said my father. "I want the address."

"Let's see, where's the letter?" said Uncle Sander. "Did she give it back? Yeh, here," he said, finding the letter in his hand. "They move around so much—" he laughed. Then his face fell. He looked at my father bitterly.

"*You* can't do anything. You have to own property. Esther couldn't do anything, either. She wants to give money."

"What about the boys in Chicago?" said my grandmother. She was still rocking gently, and shaking her head.

"I haven't heard from them since Pa's funeral," said Aunt Sadie. "I wouldn't ask them for anything if I was starving."

"Give me the letter," said my father. "I'll get strangers to send the affidavit, if you're afraid."

"It isn't a matter of being afraid," said Uncle Sander impatiently. "I don't want the full responsibility."

Aunt Sadie tossed her curls and said to me, "Shut your mouth, young lady. Go and ride your bicycle."

Nobody laughed. Uncle Sander frowned at her, and turned to my father.

"After all," said Uncle Sander, "they're four people, and it's no joke to support four people." He paused. "The food alone—it's no joke."

"We'll feed them," said my father, "Get them over here."

Uncle Sander said, explosively, "Talk! That's not the law! The law will make *me* responsible. Why do *I* have to be the one?"

"I'll give you a written statement," said my father quietly. "I'll put it in writing that I promise to feed them."

"We'll talk about it later," said my grandmother, suddenly aware of tension in the room. "Let's have a cup of tea."

Uncle Sander rose, and my father shouted, "Why don't you give me the address? What's the matter, are you ashamed?"

Aunt Sadie said, "What are you yelling about? Can't you talk like a civilized person? You can't jump into things, you know. We wrote to them, but you can't get anything out of them. Affidavit, affidavit, that's all they know."

"Come and have tea," said my grandmother firmly. "You, Sadie, behave yourself and come on."

We had tea.

Aunt Esther called the next day. She had the letter, she had sent a hundred dollars, and she wanted fifty from my father. My father gave it to her. She tried to get back the other fifty she had advanced, but Uncle Sander wouldn't give it to her, and Aunt Mattie could only spare five dollars.

It was already too late. We heard no more from the German cousins. My father inquired through the Red Cross. Weeks passed.

We moved into a new neighborhood, fairly close to Aunt Sadie. At first, she and Uncle Sander came twice in one month, but my father always excused himself when they were there and sat in his room until they left.

One day Uncle Sander brought a letter from the Red Cross. He had received the information without an inquiry. The cousins were reported dead.

"It's a pity we didn't hear from them in time to do something," said Uncle Sander. My father choked. He went to his room without speaking.

My grandmother plucked at her skirt. In a few minutes we were alone, and my grandmother said, turning her head in the direction of my father's room, "I guess they won't come here again."

"I hope not," I said.

"Oh, don't worry, they won't," said my grandmother with bitter satisfaction.

And they didn't come. Aunt Mattie and Aunt Esther came. Aunt Mattie reported on the nephews and grandsons who were coming home from the wars. Aunt Mattie said Sadie was glad she had no grandchildren. The boys would never be any good again. Esther's boy had a funny look in his eyes. Aunt Mattie said Sander was expecting the Russians to drop a few atom bombs, and it was a good thing Germany had weakened them. Sander figured we'd have time to bomb Russia first.

My grandmother listened, and nodded, or shook her head. She didn't make jokes about Aunt Sadie, any more, since we didn't see her.

One day my grandmother dressed herself and went out. She came home as I was finishing dinner. I gave her a chair and asked where she had been.

"Oh, I had a nice time," she said, sighing. Her cheeks were flushed, and she looked pretty.

"You didn't say a word about going out. Where were you?"

"Oh, I went to see Mattie, and I had lunch there. She made some nice potato pancakes, the kind you used to like when you were a little girl."

"Is that all you did, all day?"

"Well, we had lunch, and I wiped the dishes. Mattie was afraid I'd break them, but I didn't. Then we went to Sears and Roebuck, but I didn't buy anything. *Then* I went over to see Sadie."

I looked at her.

"It was all right," she said, proudly, "I told the bus man where to let me off. I got home easy, too."

"Did you really go to see Aunt Sadie?"

"Sure, I did. I'm not afraid of you people. I'm old. Say, I don't want to be mad at anybody."

My father came in from the living room, his paper in his hand. He looked at her and shook his head.

"Sure, I went to Sadie," said my grandmother, shrugging. "I went there twice before, too. They don't want to come here. I don't blame them. You people are mad about Lotte. Say, Sadie and Sander weren't to blame. They couldn't support four people. They weren't nice people,

either. Esther sent money and they never even answered. They weren't such fine people."

I didn't say anything.

She looked in my direction, and said, "Sander explained things to me. Hitler didn't kill all those people for nothing, not the German people. They did something. I never liked Lotte's husband. He was a loud mouth, a Socialist."

She stood up, felt for the wall to guide herself, and started for her room.

My father moved out of her way. She passed without knowing he was there.

"NO!" TO INTERNATIONAL CARTELS

By BEN W. LEWIS

A FAMILIAR FIGURE—"The Trusts"—is back again on Washington's agitated front porch; this time wearing a jaunty overseas cap (where the top hat used to rest) and an academic hood, along with the old striped trousers, cutaway coat and figured vest that still adorn his ample form. His bearing is one of power, but his charming manner suggests restraint. He discourses glibly, in at least a dozen languages besides English, of "orderly competition" and "co-ordination of production and consumption." His business card reads, "International Cartels." But the figures on his vest are still dollar signs.

The government of the United States accorded left-handed recognition to the visitor in the form of *Proposals for the Expansion of World Trade and Employment,* published by the State Department on December 6, 1945. Proposition Number Six calls for *joint international action to prevent cartels and combines from restricting the commerce of the world.* This proposal—almost naively simple in its terms—is no casual tidbit tossed off to stimulate conversation over cocktails; it represents consideration and analysis as intensive and as mature as have ever been devoted to the development of any line of American economic policy. American delegates will press for adoption of the proposal by the nations of the world at the approaching UN economic conference, and in the meantime the State Department may be expected to urge its acceptance by particular nations in individual negotiations. In short, official American cartel policy, which has been simmering on the back of the stove since the Webb-Pomerene Act of 1918, has finally jelled. It is still an open question whether in the months just ahead American public opinion on cartels will harden in the same mold and in the degree necessary to enable the State Department to sell its program to a world which at best is probably apathetic, and, under a less optimistic interpretation, is actively pro-cartel in sentiment and in practice.

What is an "International Cartel?" Strictly speaking, cartels are *associations* formed by agreements entered into by, and designed to limit competition among, independent business firms engaged in producing and selling similar commodities. In common usage, however, the term "cartel" is applied not only to such associations, but to formal *combines* of similar firms under the same ownership or management, and also to *patent-license agreements.*

Thus business enterprises, located in different countries and owned by quite different sets of stockholders, may agree among themselves to produce only certain stipulated amounts of goods, or to sell only at or above certain stipulated prices, or to confine the sales of each to named sales territories or markets. This is a straight out-and-out *cartel arrangement.*

An international cartel may be set up or strengthened where the individual firms enjoy world-wide monopolistic rights in the production of certain products or in the use of certain processes by virtue of patents issued by the government of each affected country. Firms owning patents may grant licenses to, or exchange licenses with, other firms in the arrangement; licenses conveying exclusive right to use the patents in particular countries or areas. These licenses, then, are coupled with restrictive agreements by the participating parties, covering production, prices, and markets. In this way the agreements (of the usual restrictive cartel type) are reinforced by the laws governing the granting and licensing of patents in each country. Patent-license agreements of this kind were employed with increasing frequency in the years between the two World Wars, and resulted in much stronger and more stable arrangements than could have been secured through simple cartel associations.

Finally, a single large firm enjoying a monopolistic or dominant position within its own country may, through purchase of properties or exchange of stocks, come to own the properties of, or the controlling interest in monopolistic or dominant firms in other countries. Such combines, of course, attain the firmest possible grasp upon the production, price, and marketing policies of the individual units in the organization.

The Purpose of Cartels. The point to be emphasized is that, irrespective of the form of the arrangement, the intended result of cartelization is, through the elimination or control of competition, to maintain or raise prices, to limit output, or to divide markets.

The ultimate purpose of cartels, according to those who are opposed to such arrangements, is to maximize profits at the expense of consumers, and the inevitable effect, they assert, is to promote the under-use and the wasteful use of society's valuable natural and human resources.

The proponents of cartels, on the other hand, claim that competition in the international sphere is blind, wasteful, and destructive, and that cartels represent only a reasonable and orderly attempt to adjust production to the effective demands of consumers, and to stabilize output, employment, prices, and incomes.

The Extent of Cartelization. Cartels are by no means newcomers to the international economic scene. They have been on and off the European and the European-United States-Latin American stage for many decades, and have been very prominently in evidence during the years following the close of World War I.

The extent of the cartel movement up to the beginning of World War II, that is, the number of cartels, the types of industries and products involved, and the percentages of total production and trade tied up in cartel agreements, cannot be exactly known or determined. Many cartels are entirely open in their operations, and make no effort to conceal the names of their members or the scope and character of their activities. The existence of many cartels is a matter of public record by reason of governmental affiliation, or through forced disclosure in the course of governmental investigations, proceedings for alleged violation of antimonopoly laws, or, more recently, through administration of government controls over properties belonging to enemy aliens. But many cartels, for fear either of prosecution or of adverse public opinion, or in order to gain a marketing advantage, have preferred and have been able to keep the fact of their existence generally unknown, and to go about their work secretly rather than openly.

Many of the kinds of goods that have been subjected to cartel controls are known, however, and authoritative estimates have been made of the sweep of cartelization. It has been stated, for instance, that cartels and combines controlled about 22 per cent of the world trade in manufactured goods between 1929 and 1937. Data released by the Department of Justice in 1939, admittedly incomplete, showed the existence at that time of some 179 international cartels of various kinds, exerting controls over 133 semi-manufactured and manufactured goods, 32 minerals, 8 agricultural

products, and 6 services. Of 333 patent-license contracts studied recently by the Office of the Alien Property Custodian, 128 contained restrictions on, or prohibitions of exports from the United States; and 75 per cent of the contracts provided for divisions of markets. Among the commodities, other than foodstuffs, known to have been involved in cartel schemes, are rubber, pulp, petroleum, fertilizers, scrap and pig iron, steel, copper, tin, beryllium, magnesium, aluminum, paper, chemicals, pharmaceuticals, dyestuffs, plastics, explosives, optical instruments, and electrical goods and machinery. The schemes, admittedly, have been widely divergent in type and in degree of effectiveness.

Specific cartel activities, drawn from actual case histories, are recounted in official and semiofficial publications prepared by government departments and committees, and in a host of more popular books and articles, and are detailed as well in the records of proceedings begun by the Department of Justice within the past four years against American firms whose participation in international cartel agreements is, allegedly, in violation of American antitrust laws. Without identifying actual firms or associations, it may be said that the range of cartel activities now openly admitted or officially disclosed includes controls exercised over members with reference to every significant phase of production, marketing, and pricing. Thus an international commodity or material cartel may have divided the world market by reserving the United States and its possessions and, say, China for American producers, the British Empire for British producers, and the rest of the world including a lucrative Latin American market for German producers. There may have been, as well, agreements on processes to be used, amounts to be produced, and prices to be charged. In addition, the arrangements may have provided for the establishment of elaborate systems for pooling profits (or losses), for interchange of technical information, for maintaining secrecy, for dealing with recalcitrant outsiders, and for protecting the continuing interests of the members in the event of wartime disruptions of markets.

It is known from experience that cartels are more easily and firmly formed in the case of industries where the number of participating enterprises is small and where each occupies a monopolistic or dominant position in its home market. Experience also discloses that the fate of particular cartels throughout the years has been quite uneven: well maintained and highly effective during certain periods, and at other times, because

of attacks from outsiders or adverse governmental action or dissidence within the organization, badly shattered and struggling for existence.

The Philosophy of Competition. Competition is deeply ingrained in American economic thought and somewhat less firmly embedded in American economic practice. The organization and processes of American economic life have always been conceived of very largely in terms of individual initiative and free markets, with each person fully at liberty, within the range of his abilities, to go into any lawful business or employment, and there to work and produce according to his capacity and inclination, and to sell his labor or his wares at the best prices they will command upon the open market. But the market is supposed to be a *competitive* market. Buyers are free to choose from the offerings of competing sellers. The individual may work and produce and sell as he pleases; but since he is competing for trade or employment with other free individuals, he will be economically successful just to the extent that he brings to the market the kinds, amounts, and qualities of goods or services that buyers want to purchase, and at prices which they are willing and able to pay. And since other sellers are seeking the same customers, he is under the most effective pressure possible, in his own interest, to produce wisely and fully, and to offer only his best.

Competition, thus, is at once a spur to productive and marketing efficiency — to invention and progress — and a regulator of economic choices and conduct. Any person not required by laws and regulations to behave otherwise is under constant temptation to give as little and to demand as much as he can possibly get away with; competition serves as an "automatic" regulatory mechanism to insure that he does not get away with any more than the rest of society wants him to have, as measured on the open market.

Competition is presumed to operate at all stages—in the markets for labor, for capital and money, for materials, farm products, machinery, tools and buildings, and for the thousands of kinds and varieties of consumer goods. When shortages develop, competition among buyers seeking to obtain scarce goods drives prices upward, thus providing a brake on wasteful consumption and an incentive to increased production. Overproduction in particular lines leads, through competition among sellers trying to "get out from under" with the least loss, to falling prices,

increased consumption, and a diversion of production to lines more in demand.

By pitting people generally against each other in the earning of incomes, it is believed that society tends to achieve the best and fullest use of its stock of natural and human resources, and to gain for itself the greatest total of continuing economic satisfactions.

The Antitrust Laws. The competitive tradition has found expression in American law from the earliest days. Courts have always refused to enforce private agreements which directly and unduly restrain competition. In 1890, in order positively to stem the growth of monopolies and monopolistic arrangements which were then developing rapidly on a grand scale, Congress passed the Sherman Antitrust Law. This statute made it a federal criminal offense, carrying heavy penalties, for anyone to enter into a "contract, combination in the form of trust or otherwise, or conspiracy, in [unreasonable] restraint of [interstate or international] trade or commerce" or to "monopolize, or attempt to monopolize, or combine or conspire with any other person or persons, to monopolize, any part" of interstate or international commerce. The Sherman Law, with modifications, amplifications, and interpretations provided both by later sessions of the Congress and by federal courts, has been on the books now for over half a century, and has constituted the basis for hundreds of cases brought by the Department of Justice. Despite (possibly because of) its simple terms, it can scarcely be said, even today, to be certain in its meaning or application. None the less it stands as the best formal expression of American public attitude toward the establishment of industrial monopolies and attempts to eliminate or to impair competition.

The Revolt Against Competition. But the situation actually prevailing in our American economy, both factually and as a matter of economic thinking, is not quite so clearly and strongly "pro-competition" as might be suggested by the unadorned words of the Sherman Act. In certain major areas of industry, the need has been recognized for the organization of economic activity on the basis of monopoly. This is true, for instance, in the case of our patent laws, in the field of public utilities, and, in a somewhat lesser degree, in the railroad and motor transport industries. Again, special considerations have prompted Congress to exempt organizations of laborers and of farmers from the full operation of the federal laws against monopoly.

Finally, and of more importance than the foregoing for the problem of international cartels, there have been rumblings of discontent over the insistence upon competition in the great field of industrial manufacturing and in the extractive industries; and economic developments in these fields have been such as to prompt very serious reconsideration of our traditional policy. The great depression of the early '30's with its tragic record of underutilization of productive facilities and unemployment of labor, produced such an intensification of competition that the federal government established, under the so-called National Recovery Administration, a vast framework of "codes of fair competition" designed to set limits beyond which sellers might not go in their competitive drive for trade. Whatever may have been the effect of, and the justification for the NRA, there certainly was a widespread feeling during the decade preceding World War II that a national policy of enforced competition could easily be carried to extremes, and that unrestrained competition, whatever its purpose, was apt to misdirect economic activity and to be destructive in its effect.

The argument against competition runs along these lines: competition has a chance to work effectively where identical goods are produced and sold by large numbers of small, individual producers (farm products, for example); but where, as in the case of industrial manufacturing, production, and marketing of differentiated, trade-marked goods are carried on by huge corporations, competition is present only in name. Big business calls for tremendous investments of capital in fixed assets—costly, specialized machinery and facilities; the men responsible for the direction of big business cannot afford to allow destructive, competitive price wars to develop; they are compelled to curb competition either by simple "understandings," by carefully concealed agreements, or by mergers. Competition can function as a regulator of economic conduct with only partial success anyway, because the markets in which it operates are, at best, highly imperfect, and people are quite unable, even though they were so disposed, to respond quickly and accurately to competitive guides and stimuli. This means that production and consumption, forced to rely upon partial and imperfect competition for their guidance, are constantly misdirected. It means that overproduction in certain lines and at certain times, and underproduction in certain lines and at certain times, all entirely unpredictable, are chronic maladies of our economic system.

It means that in our day we shall witness the replacement of economic order by economic chaos to the extent that we adhere blindly to a theory of competition which is wholly unsuited to, and untenable under modern conditions.

The upshot of these questionings and assertions is the growth of a considerable body of opinion hostile on grounds of fact and philosophy to the continuance of the effort to enforce competition by law. It is receptive, on the contrary, to the idea of open and enforcible agreements among producers of similar goods—agreements covering and governing the amounts each is to produce, the markets in which the products of each is to be offered for sale, and the prices below which each will undertake not to sell. It is believed that, thus, knowledge will be substituted for ignorance in economic affairs; certainty will take the place of guesswork; the "right" amounts will be produced, and will be sold to the "right" customers at the "right" prices; and order and security will prevail in the place of confusion and chaos.

International Cartels Under American Antitrust Laws. The fact of participation by certain American firms in international cartels, despite our long tradition and legal position in opposition to domestic trusts requires a word of explanation. Antitrust law as applied to international cartel arrangements, possibly reflecting an uncertain public opinion on the subject, has not yet taken definite form. The Webb-Pomerene Act of 1918 provides that the Sherman Act shall not make it unlawful for American exporters to join in associations whose sole purpose is to engage in export trade and whose sole activity is in such trade, provided only that the associations do not restrain trade within the United States, and do not restrain the export trade of any American competitor of the association. The law was intended to make it easier for American firms to compete in export markets with foreign firms and cartels. The exact extent of the freedom which the 1918 legislation gives to American firms in the matter of international cartel relationships has not been finally determined by the courts, and until the last few years the government has not seen fit to press the issues to trial. Much the same thing can be said of the government's attitude toward patent-license agreements. America has enjoyed a patent system made to order for the establishment and operation of international patent-license agreements. Patents, by their very nature, convey monopoly rights, but the exact content of those rights

and the extent to which they can be employed to give validity and vitality to agreements which without their support would be open to serious question, is still to be authoritatively determined.

Suits instituted by the Department of Justice since 1940 and now in the process of being adjudicated may hasten the settlement of these issues, and bring more certainty and order into the present confused situation. Up to January 1, 1945, the department had begun 52 cases involving international cartels. Thirteen of these cases affected American imports such as magnesite, quebracho, matches, newsprint paper, nitrate of soda, bichromates and potash; eleven involved American exports such as alkali, aircraft instruments, dyestuffs, plastics, and molybdenum; a total of 105 commodities were affected, and 165 business concerns were named, 36 of them being foreign. As of that date, 2 cases had been lost, in 16 cases pleas of *nolo contendere* had been accepted, in 15 cases consent decrees had been negotiated, 12 cases were awaiting trial, and 7 had been postponed until after the close of the war. Anything like an exact pattern of what is permissible and what is not permissible under the law has not yet emerged from the cases, but it is difficult to avoid the impression that unless existing antitrust statutes are modified by Congress, American firms will experience more legal difficulties in their international cartel operations in the future than they encountered in the period 1918-1940.

Foreign Attitudes on Competition. Despite a substantial undercurrent of critical opinion, American attitude is still largely in opposition to agreements to restrain competition in domestic commerce. In most foreign countries, on the other hand, public opinion is quite receptive, if not indeed cordial, to restrictive arrangements in industry. In no European country—and it is with Europe that the United States will be most concerned in working out an understanding on international cartels—has it been an offense against the law for producers to enter agreements with each other to restrain competition in either domestic or international commerce. Associations or cartels composed of members of an industry producing and selling what would otherwise be competing commodities, and which undertake quite openly to limit output, divide markets, and set prices, are regular features of the economies of all European nations which still embrace the capitalistic system. Further, such cartels, many with international affiliations, are encouraged and promoted and in some instances actually required by their governments. In some, but not in all

countries, cartels must register with the government. They may be subjected to very general government supervision designed to safeguard the general public interest, but in no instance are the governmental controls positive or detailed.

England has no antitrust statute of any kind, and throughout the decade preceding World War II the British government was working actively, by inducements, pressures, and even by legislation to reconstruct the organization of British industry, internally and in its foreign relations, along cartel or semicartel lines. Private contracts fixing prices and restricting production and sales are enforcible in the British courts, and the courts will enforce penalty and boycott provisions applied by associations to "recalcitrant" firms even outside their membership. Such major industries as steel, coal, and cotton textiles were almost completely cartelized at the outbreak of the war.

Cartel development and activity within Germany have, of course, been notorious for many decades; in fact, over the years German cartels have served as the core of the whole international cartel movement. It seems certain that German participation in international cartels will be strictly controlled if not completely forbidden by the Allied powers in the months ahead. Russia should probably be regarded as a neutral force in the cartel controversy. Through her state trading organizations, Russia has participated in a few international cartels, and there is no evidence that she would be unwilling to do so in the future. On the other hand, semiofficial statements attacking the whole institution of international cartels have come from Russia, and there is no reason to believe that she would be distressed by a complete disappearance of cartels from the economy of the rest of the world.

Are Cartels "Natural"? Because of the extent to which cartels have become integrated over the years into the economies of the nations of Europe, it is customary to think of cartels as being, somehow, "natural" and "inevitable" in their European setting. It is said that cartels are indigenous to Europe, and cannot be uprooted without destroying its basic economic structure. It seems more reasonable to believe, however, that neither cartels nor competition is more "natural" than the other, either in Europe or in America; and that either or both are likely to be resorted to in the presence of particular economic problems and situations. Cartels have come and gone, and come and gone again, in particular

industries and areas in Europe, just as the cartel idea has shown more strength at some times than at others in our own country.

Cartels have been established and have flourished in times of prosperity, but the evidence bearing on cartel development in Europe shows that, in very considerable measure, they have arisen and been accepted as an answer to economic difficulties growing out of depressions and industrial contraction, and as a result of the restriction of world markets by nationalistic trade policies. The recurring rise and fall of cartel organizations in Germany was coincident, at each stage, with declining and advancing economic activity. Periods of poor business and industrial overcapacity were prolific in their spawning of cartels designed to curb the ravages of destructive competition, and to insure for each member his "fair share" of the dwindling market. This was most certainly the case in Great Britain during the depressed '30's. Industrial overcapacity resulting from World War I and the curtailment of international markets by the extreme policies of nationalistic protection embraced by all of the great nations in the years following the war, operated to drive British businessmen into domestic and international cartel agreements just as soon as the Import Duties Act of 1932 gave them the necessary protection and bargaining power.

The suggestion of history is that cartels are a *natural* response—but not the only natural (and certainly not an *inevitable*) response to contracted markets. History, it may be added, offers no suggestion that cartels, once established, have ever operated to relieve the contraction.

The Case For International Cartels. Against the backdrop of "monopoly versus competition" in domestic trade, the facts on the cartel movement, and public attitudes at home and abroad, the case for and against cartels in world trade may be considered.

The basic argument in favor of international cartels rests on an appeal to "realities." The issue "cartels versus competition" is wholly artificial, it is asserted, because competition in world markets is even more illusory than in domestic markets, and what passes for competition under modern conditions is hopelessly incapable of regulating and guiding international economic conduct either correctly or effectively. Huge corporations, such as those in the steel and chemicals industries, for example, with heavy fixed costs and specialized equipment and labor, do not in fact respond to prices freely determined in competitive markets, and if

they did the result would be chaotic. Competitive prices are highly sensitive and flexible; large-scale industry cannot permit or follow such prices without leaving a trail of business failures and widespread unemployment. Even in the absence of formal cartels, present-day industry does not follow competitive prices. The real issue is not "cartels versus competition," but, rather, "cartels versus chaos."

Along the same line, it is argued that the industrial and raw materials situations generated by World War II are such that orderly, agreed-upon processes will be required for their unraveling if international economic and political catastrophes are to be avoided. War necessarily stimulates investments in particular industries to an extent quite unwarranted by the peacetime trade which follows. This is true not only of industries producing direct instruments of warfare, but also of those producing basic materials and semiprocessed goods and of industries manufacturing consumer goods for markets which, since the war, can be supplied from sources nearer at hand. Excess productive capacities in particular lines have already begun to emerge as an aftermath of the war. Just as conversion to war purposes required central direction, so the adjustment back to peacetime production cannot proceed speedily and without hardships in the absence of unified industry controls. Rubber and shipbuilding are cases in point. Shall we allow the presence of excess capacity, once needed and demanded to win the war, to breed cutthroat competition, failures, stagnation, unemployment, and international ill will, when all this might be avoided by over-all industry plans and agreements? Billions of dollars of investment and the welfare of hundreds of thousands of workers are at stake; an adjustment attained by a "survival of the fittest" struggle is unthinkable; a carefully planned adjustment, in which each firm is allotted its fair share of the business, is the only "civilized" course to take.

World prosperity requires world trade. World trade cannot develop on a full and healthy basis if major segments of industry are putting out their wares at cutthroat prices while other segments of industry are paralyzed and, because they cannot produce and sell, are unable to buy and consume. This argument admits that in a struggle for existence between American and foreign members of an industry whose total capacity has been swollen by the war far beyond the possibility of full, profitable peacetime use, particular American firms might win out. It points out, however, that to sell in world markets America must have

foreign customers, and that foreign countries ravaged by postwar depression and unemployment will not be able to participate either as producers or consumers in international commerce. We must not exert our tremendous economic power ruthlessly if world trade and world friendship are to be enjoyed on a secure and lasting basis. Rather, our industries, together with those of other nations, must settle their trade rivalries and work out their common problems by peaceful industry agreements. Economic warfare in uncontrolled markets can be as devastating as military warfare, and each industry should negotiate its own treaties (possibly under UN supervision) to forestall such a catastrophe.

This latter argument gains strength when it is applied to the position in world trade of "single-industry" countries, such as Bolivia and her tin industry. If these countries are to find a permanent place in a prosperous and peaceful world, they must be able to sell the products of their major industries in world markets at remunerative prices. They cannot buy abroad if they are denied both basic purchasing power and "exchange," and they cannot live on the output of their single industries locally consumed. If world markets are pre-empted by the products of powerful producers from other nations, sold at cutthroat prices induced by worldwide overcapacity, not only individual industries and a few firms are threatened, but the economic structures of entire countries are endangered, the world trade of even the more fortunate nations is impaired, and a breeding place for international dissension is created.

On a somewhat different tack, it is contended that international patent-license agreements operate to free foreign-owned patents, secret information, and "know how," for the use of American industry. A foreign firm may take out American patents as a protective measure, not intending to produce in this country, and being quite possibly unable or unwilling to export to us goods made under the patents in its own country. It will license the use of its American patents to an American firm only if the license is coupled with covenants which restrain competition. Such agreements preclude competition, of course, but if they are outlawed the people of the United States will be denied the use of the patented products completely. *As long as we have patent laws,* it will behoove us to permit foreign owners of American patents to place any restrictions they please upon the use of their inventions by American licensees, if by such permission we can enjoy the benefit of use rather than suppression.

Goods made and sold to us under tight monopoly controls are still better for us than goods not made at all.

Incidentally, the possibility of making patent-license agreements wholly satisfactory both to the foreign patent-holder and the American licensee makes it much less likely that patent controversies and litigation will arise. The production of goods is to be preferred to the production of lawsuits.

Finally, it is argued that whether or not we like cartels for their own sake, America must recognize that they are an accepted part of the way of doing business in foreign countries, and that they are being reconstituted and continued in foreign countries with the explicit and powerful support of foreign governments. Foreign businessmen and foreign governments will insist upon cartel membership for firms which expect to export goods to their local markets; and even where uncartelized and competitive American firms are technically free to go into markets abroad, they will be unable to cope successfully with powerful, government-supported foreign cartel organizations. If the United States expects her export firms to have a chance in world markets she must not hide her head in the sand; she must play the game, and allow her firms to take their proper part in international cartelization.

The Case Against International Cartels. The case against international cartels takes the primary form of a positive case in favor of competition: competition in international trade as fully as in domestic trade conduces to the fullest, best directed, and most efficient use of the world's valuable resources; competition alone is consistent with progress, widening markets, and an economy of plenty. An acceptance of cartels reflects an attitude of defeatism and resignation to industrial stagnation and an economy of scarcity. Whatever rationalizations may be advanced, cartels mean the cutting down of production, the placing of monopoly props under prices, and the protection of the vested interests of closed groups of producers.

Cartels are quite incapable of providing a permanent over-all solution for the problems of postwar industrial overcapacity. They can, of course, serve as a stopgap in individual instances, and bring temporary relief to particular industries and interests, but only at the expense of the rest of society. "Planned" production under the leadership of private cartels means the discarding or destruction of valuable resources, and while it may result in employment at good wages for certain laborers, it will cast

others aside to flood the labor markets of uncartelized industries. World prosperity can never be gained by the production of fewer goods; and it is only by forcing the rest of society to pay higher prices for fewer goods that any group within society can gain by restricting output. To the extent that cartels serve to cushion and render more palatable the effects of wartime maladjustments for their members they deaden the incentive for the institution of private or public corrective measures. The problems of postwar industrial overcapacity call for a direct frontal attack by the governments of all nations; and the economic solutions must run in terms of international monetary reforms, direct governmental aid for the redirection of industry and the relocation of populations, an increase in total world production, and an elimination of barriers to full and free commerce throughout the world—*all* barriers, both governmental and private (cartels). And the economic solutions, to be successful, must be grounded upon international political understanding and measures which will promise peace and security, and which will render less compelling the forces making for nationalistic suspicions and defenses. Private cartels have no part in this program except as a threat to its fulfillment and, hence, as an object of attack.

Far from serving as instruments for the preservation of peace, cartels are much more likely to encourage international discord and strife. Private economic interests clash even within the framework of cartel agreements, and internal dissension over price and production policies and shares of the market are bound to lead to retaliatory trade wars between powerful international economic factions. Governments will be called in to push the claims and protect the trade interests of their nationals. Resort will be had to the full arsenal of economic warfare: tariffs, subsidies, embargoes, export and import quotas—the very negation of world trade and the full employment of resources. This very result is said to have been implicit, for instance, in the case of the "Düsseldorf Agreement," signed in March, 1939, by representatives of the Federation of British Industries and of the Reichsgruppe Industrie of Germany—an agreement to promote restrictive arrangements between British and German industries, with the proviso that if the arrangements should be threatened by the refusal of the industry in a third country (the United States?) to adhere to its terms, each association was to obtain the help of its government.

It is contended that international cartels bring all of the evils of domestic monopolies in their train, because it is out of the question to establish an effective international cartel if there is competition in the domestic markets of the countries involved. Any domestic competition which may prevail in particular instances will quickly be curbed by the power and prestige of the international organization.

In answer to the proposition that patent-license agreements actually increase the use of inventions, it is pointed out that such agreements typically go far beyond the assurances which any foreign holder of an American patent has a right to demand in the way of protection, and which our industries have any right, in the public interest, to convey. The agreements frequently result in the accumulation under one control of a vast array of competing patents; they provide for an exchange within the monopoly group of all future inventions; they regulate imports; they provide restrictions even upon unpatented goods sold by the members; and they force observance of restrictive provisions even upon customers to whom the products are sold. The monopolies in competing patents afforded by thesce agreements are more effective than outright purchase of a competitor's physical plant in restraining competition, because patents cannot be reproduced whereas newcomers could invade the field if only physical property were involved.

Further on this same issue, it is said that if the more restrictive features of patent-license contracts (those which make it a genuine cartel agreement) were outlawed, and if governmental restrictions on exports and imports were broken down generally throughout the world, not only would all countries tend quickly to get the benefits of all inventions, but the incentives to invention, now somewhat dulled by the agreements, would be materially strengthened.

But it is principally in their political aspects that cartels have come in for condemnation during the past four or five years. Cartels are "private treaties," quite capable of nullifying the trade and political policies of the national governments of their members. The United States, for example, may lower its tariffs in order to encourage imports and broaden the area of its export trade, but if under a cartel arrangement foreign firms undertake not to send goods into the American market in return for the promise of the American member not to export into foreign territory, the government's trade policy is a dead letter. The government may desire, as

a step in its "Good Neighbor" policy, to promote an export trade in drugs and chemicals to Latin America. Our firms, however, may be under cartel obligations to stay out of the Latin American market, and the way is open (as, indeed, it *was* open during the '30's) for the exploitation of the whole of Latin America by the trade representatives of another nation. When (as was the case) the other nation is Nazi Germany, and its trade representatives are its political and military representatives as well, the implications are plain—and quite unsavory. Incidentally, the people of Latin America may properly resent having their whole industrial present and future turn upon the vagaries of agreements between foreign industrialists completely free from responsible control.

During the course of a war between foreign powers the American government may be actively sympathetic to the aims of one of the belligerents and, within the limits imposed by the law of neutrality, may desire to give assistance to its cause. The government may, for instance, desire its manufacturers to export certain strategic goods to the nation in question, and it may quite understandably be dismayed to find that our manufacturers are under cartel restrictions, still in effect, not to export to that nation. It may be equally dismayed to find that some of our firms are under a duty imposed by a cartel to send goods into neutral markets formerly served by exports from the other belligerent, in order to protect the postwar business of that nation—thus defeating completely an otherwise effective blockade laid down by our friends. Indeed, in preparation for its own defense the government may want certain goods supplied to it by American firms; and may find these firms obligated by cartel agreements not to comply with the request.

The proposition that if the United States is to do business in international markets it must proceed on a basis satisfactory to foreigners, and hence that the American people must subordinate any anticartel views to foreign procartel attitudes and practices, is met head on by American advocates of competitive business. In the first place, they say, it is by no means certain that foreigners will be eager to build the structure of postwar international commerce around a core of cartels. Indeed, statements from British industrialists and publicists indicate that the people of Great Britain are deliberating on the issue in much the same manner and degree as are the people of this country. Secondly, international trade means fully as much to foreign countries as it does to us, and they must be as

prepared as we to make concessions on issues of policy. The United States is the world's most powerful trading nation—not a weak and pleading suppliant, and there is no reason why we should permit our basic international economic policy (and, by indirection, our basic domestic trading policy) to be dictated by the wishes of others. In a showdown, if it should come, American firms can more than hold their own in world markets against any foreign firms or combination of foreign firms.

What Can We Do About Cartels? What possible courses of action lie ahead? One thing is certain: the courses will not be simple, because neither those who favor cartels nor those who favor competition as the proper policy for meeting the grave problems of postwar trade, think of advocating either of these alone and unaccompanied by other measures. Very few would argue for a system of private cartels wholly unsupervised by some kind of governmental authority, and the most ardent advocates of competition concede the necessity of complementary measures.

It is certain, too, that a course (or courses) of action will be taken; the cartel issue will not be decided by default. President Roosevelt brought the matter officially to the attention of the Department of State in a letter to the Secretary of State dated September 9, 1944, in which he stated that cartel practices which "restrict the free flow of goods in foreign commerce" would have to be curbed. In his reply of September 13, 1944, Secretary Hull stated that the Department was preparing "definite policy proposals" along the lines set down by the President, and added, "The elimination of the restrictive practices of cartels is an objective that consistently follows from the liberal principles of international trade which this government, under your direction, has constantly sought to implement through the trade agreement program and other aspects of commercial policy." Organizations such as the National Association of Manufacturers and the National Foreign Trade Council, and leading business men and economists, and members of Congress have declared themselves on the issues; preliminary conversations have been had between our government and the government of England; and most of the nations of the Western Hemisphere, through a resolution adopted at the 1945 Inter-American Conference in Mexico City, have pledged action on the cartel problem. There will be an official American—possibly an official international—position. What direction may it take?

The United States could, of course, recognize and accept cartels as desirable, but require that they register with the government and file true copies of all contracts and agreements involving restrictive practices (however defined) together with statements setting out the details of any unwritten "understandings" between the members. This approach could be supplemented by the requirement that such contracts and understandings must be approved by the government before they can go into effect, and before American members can take any action under their provisions. There might be established, in addition, a continuing administrative supervision of cartel activities, under which members could be warned if their actual operating practices were judged by the authorities to go beyond the limits set forth in the original approval, or were deemed otherwise to run counter to the public interest. Failure to heed the warning should lead, presumably, to punitive action by the government. This supervision might be carried even to the point of governmental review of substantive cartel decisions on matters of membership, output, quotas, market areas, and prices. Government control to this extent would certainly be looked at askance, not only by cartel members, but also by anyone familiar with the difficulties encountered by such government control agencies as the National Recovery Administration, the Office of Price Administration, and the War Production Board. On the other hand, to authorize the operation of private organizations endowed with the immense powers inherent in cartels, without close, continuing governmental supervision, would seem to many to be quite unthinkable.

Another approach to the problem is to attach public supervisory functions not to a single American governmental department, which presumably could act with reference only to the activities of American members of international cartels, but to an international control authority to be integrated with a United Nations International Trade Organization. Such an authority might be set up by an international governmental agreement under which the respective governments would pledge themselves not to permit their nationals to engage in cartel activities until the cartel in question had been approved by the authority. They might agree, as well, to discipline any member under their respective jurisdiction, at the behest of the authority, after investigation and hearing. Or, the duties of the authority might be purely investigatory and advisory. Conceivably, it might be given a promotive function—to recommend the establishment

of a cartel when in its judgment the economic situation calls for such a step in the public interest. Those who favor the establishment of such an authority should satisfy themselves that ways can be found to deal effectively with problems of organization and personnel, and with the technical difficulties and complications arising from conflicting national interests and jealousies involved in making acceptable decisions on matters of quotas and prices. They should be aware of some of the problems which have had to be faced in the establishment and operation of reciprocal trade agreements involving only two countries. It has been suggested that the interests of consuming, as well as those of producing nations should be represented on such an authority, but those who know the fate typically suffered by consumer divisions in administrative boards will not be impressed.

A line of attack looking in quite the opposite direction is advocated by those who favor an international convention outlawing cartels, and pledging the best efforts of the signatory nations to the task of prosecuting vigorous anticartel actions against any of their nationals who engage in cartel programs. The success of such an anticartel organization (assuming the soundness of its purpose) would be largely conditioned by the extent and sincerity of its membership. Those who question its probable effectiveness point to the not-too-distinguished record of our own antitrust program within the United States.

Finally as a possibility, Americans must consider whether or not the United States is in a position to pursue successfully by itself a program of enforced competition in a world indifferent or receptive to cartels. This would mean that American firms would be required by law to refrain from cartel membership and activity; and that they would be required to make their way in world markets on the basis solely of their ability to give superior values in competition with foreign firms and foreign cartels. Further, it would require the American government to permit foreign goods to enter American markets, and to use its full resources (other than military, of course) to break down any artificial barriers to foreign markets erected and maintained by, or with the acquiescence of, foreign governments.

Epilogue. What are we to do with the large, ingratiating gentleman in the overseas cap, the academic hood, the cutaway coat—and *the dollar sign vest?* The problems he poses are very real and his claims are per-

suasive; he has a winning way. But he must not be allowed to win. The economic case against his claims is stronger than the arguments he brings in their support—and the political realities stand arrayed in conclusive opposition.

World trade in the years ahead needs direction and drive. Competition is a directing and driving force and, although it may fall quite short of complete effectiveness, world trade cannot afford to countenance its open suppression in the absence of a more promising alternative force. Private cartel agreements alone are certainly not such a force, and none of the current proposals for international public supervision over their operation offers more than an illusory supplement.

Public regulation as we know it on a national level and at its very best provides a limiting, protective, facilitating framework for private economic activity. It is incapable, even in simple, local situations of contributing *positively* to expansion and progress—to *drive*. Projected on an international scale and complicated and confused by conflicting cultures and interests it promises little more than complete frustration—no drive, no direction and considerably more protection to particular vested producer interests than to world trade and well-being as a whole.

The answer, then, to the question posed by international cartels is "no," preferably in chorus with other nations. But, in chorus or alone, "no!"

BOOKS

LIBERALISM: FOUR VIEWS

By DAVID DEMPSEY

FREEDOM, like health," William Aylot Orton writes,[1] "is seldom discussed until it is disappearing." *The Liberal Tradition* itself is a post-mortem; of the rigorous standards of liberalism here posited there is little that is recognizable in modern society. The fault with today's liberals, Professor Orton suggests, is their disposition to sacrifice the classical idea of *Humanitas* in an effort to achieve the empirical freedoms of every-day life.

This may seem like a harsh construction to put upon a book of undeniable scholarship and integrity, but I believe that Professor Orton has so idealized the nature of freedom, so detached its dynamics from the historical milieus in which it has asserted itself, that his doctrine is almost dangerous for our times. Indeed, he would sacrifice empirical liberalism for *Humanitas,* forgetting that they are ideally coexistent. We need to remind ourselves that although the nature of freedom may not change, the conditions of freedom do. Ghandi's "the freedom to be free" may constitute the vision of liberal man, but economic man will continue to judge freedom by its fruits. *Man ist was man iszt,* while not an adequate doctrine for the whole of life, is nevertheless a primary condition which liberals like Professor Orton, in their universe of ethical righteousness, are all too likely to ignore.

The conditions of liberalism are dynamic, as the wars and revolutions which have been fought in its name should make plain; pragmatic attempts to hitch an ideal to a political or institutional reality. It is hardly necessary to point out that the institutions and forces which gave birth to modern liberalism have undergone radical changes. *Laissez faire* is dead, "social rights" have supplanted "natural rights," and the welfare state has filled the vacuum left by the failure of Jefferson's state to govern best by governing least. Eighteenth-century liberalism is no longer the exclusive guarantor of personal liberty and social equity.

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[1] *The Liberal Tradition.* By William Aylot Orton. Yale University Press. $3.50.

Yet it is no idle fear to see in social progress, as Professor Orton does, some danger to freedom. The totalitarian state is an example of what may happen when men trade an open-ended for a closed society in their search for economic security. The example alone does not solve the problem of the democratic state when its open-endedness becomes not a road to the fulfillment of liberal values but a maze of frustrations. Men give up their freedom when it no longer matters to them, and it no longer matters when its burden is greater than its conceivable benefits. If it is true that freedom is disappearing, it is because society has put too high a premium on its survival—the premium of insecurity and radical economic inequality. And if this is true it is not planning which threatens freedom, but no planning; not bureaucracy but chaos. To assume that freedom and planning are incompatible, as Professor Orton does, is to oppose social reform and a politics of world peace; to deny freedom the very weapons which can save it; in short, to hold a philosophy of unforgiveable despair.

Professor Orton can be characterized as a hard-shell, or fundamentalist, liberal, somewhat to the right of the British Liberal Party, and sympathetic to the views of the present-day T. S. Eliot, Berdayev, Sorokin, and Dr. Hayek. True liberalism is not to be found in the political state, but in supranational religion, with its idea of community. Insofar as the state tries to take the place of the church in defining ends for its citizens, it errs. The fundamental liberal values are Christian, historically the result of the Catholic synthesis of the Greek conception of the dualistic nature of man. Modern exponents of planning, such as Roosevelt, Henry Wallace, and Sir William Beveridge, are condemned as enemies of true liberalism because they have attempted to introduce ethical absolutes into the sphere of political dynamics.[2]

The chief difficulty with such a view is that it ignores the dialectical shifts which liberalism has undergone in pursuit of an institutional "host." The liberalism of Manchester was not the liberalism of the Chartists or

[2]"It is both dangerous and misleading," Orton writes, "to couple ethical ideals with the organization of an international authority of which the members and the beneficiaries are to be 'peace loving nations.' " Of the Spanish War: "The nonintervention committee represented a much more consistent and authentic policy than that of the crusade for which the American left was clamoring." If one could grant the consistency, the consequences were no less deplorable.

the Fabian Socialists; nor was the liberalism of Jefferson enough for Roosevelt. Despite the secular nature of modern liberalism (which Orton condemns) it has remained generally true to Christian ethics, recognizing the state, rather than the Church, as a more hopeful agency for securing freedom and equality.

Professor Orton's condemnation of the Beveridge plan and state-guaranteed full employment is evidence of his unwillingness to accept the very program by which liberalism can survive. When he writes, "The role of liberalism is to forestall the catastrophic phase of change" he forgets that both the Christian synthesis and pragmatic liberalism were also agents of change, and from the point of view of the old orders they supplanted, rather catastrophic changes at that. It makes a difference whether a book on freedom is written in a dungeon or a dudgeon. *The Liberal Tradition* will strike most readers as savoring too much of the latter. For all its scholarship, it is a gloomy and at times confused book.

* * *

It is the dilemma of freedom and planning which Barbara Wooton discusses in a book[3] which appears to have been written in answer to Dr. Hayek's *Road to Serfdom*. Her observations of British wartime planning, at any rate, furnish an illuminating rebuttal to Dr. Hayek's thesis. Mrs. Wooton does not blindly predict that freedom will necessarily survive under planning; she predicts that it *can* survive if the people are determined to hold their bureaucrats as accountable as they have held their delegates to Parliament. The central issue here—as in the United States—is to put economic and political programs, once they have been agreed upon by the electorate, "out of reach of the unstable gusts of Parliamentary democracy."

We need only look at the progressive emasculation of our own OPA in Congress to understand how planning can be crippled by the "unstable gusts" of the legislature; gusts, in this case, fanned by organized pressure groups of business. England's housing program, in the 1920's, met a similar fate when a change of government cancelled plans for a far-reaching rehabilitation of slum areas. There is a measure of capriciousness in democratic government that endangers social progress; the aim of a planned democracy must be to put the long-range programs out of reach

[3] *Freedom Under Planning*. By Barbara Wooton. The University of North Carolina Press. $2.

of this capricious element, to give them administrative autonomy, a freedom from the vote getting and logrolling and pork barreling of the legislature. When the program is not too controversial—as in the case of our civil service—"bureaucracy" becomes a respectable aspect of democracy. This has become true even of the once-controversial TVA, and was accepted, of course, in many industrial and economic fields under the exigencies of war. In war, as Mrs. Wooton so aptly puts it, "Freedom is in such danger that, paradoxically, it no longer matters." One can add that part of our present difficulty is our failure to recognize that victory did not entirely end the danger.

In war, too, people are of one mind about what they are planning for. In peace they seldom are, especially in an age riven with almost unbridgeable economic and social fissures. Mrs. Wooton believes that economic planning is the only democratic answer but she recognizes that freedom of enterprise is likely to be endangered under planning. Her book is primarily a discussion of this problem. Under capitalism, "The liberty of the consumer to distribute his spending as he likes through time is a potential threat to the liberty of the worker to do more than look for work." Consumer freedoms and producer freedoms are at war. The consumer wants to spend as much as he likes when he likes for the products he wants, and to save in addition. The producer (worker) wants to choose his employment and bargain collectively for the highest wages. "The liberty of the consumer-self threatens the security of the producer-self; for *the same person* wants both to spend and save as he pleases, and always be sure of a job."

The problem invites two alternative solutions. Either the state plans production and establishes a wage pattern—abolishing true cultural and economic autonomy—or it "undertakes to make good the deficiencies, and to compensate for the vagaries, of consumer spending." The former method, no matter how benevolently administered, obtains only at the expense of liberal values for which the democratic state stands. The latter, which is essentially that of the Keynes-Hansen school, retains not only all the democratic freedoms but may even rest upon a capitalist base as, indeed, the "full employment" program in the United States, were it adopted, would decidedly do. Mrs. Wooton would go somewhat further than this and use the state money-power to plan for economic priorities. Our own national housing program is precisely this kind of priority.

It is, fortunately, also the kind of priority about which there is common agreement. We have voluntarily—and certainly with no loss of democracy—agreed to abridge certain producer and consumer freedoms in the interest of national welfare. Public determination of economic priorities, as Mrs. Wooton points out, is essential under planning but it is not inherently incompatible with private ownership of industry. Nor need it limit the "cultural freedom" of the individual. Planning in a democracy involves the use of determinate means for indeterminate cultural ends. *Planning Under Freedom* is a valuable study of British experience in this field and should lay some of the ghosts which Dr. Hayek disinterred in his *Road to Serfdom.*

* * *

Professor Carl Becker's death in 1944 came as the climax to a long and fruitful career in the field of American history. His last book[4] was written at a time when the accepted machinery of our democracy—our political tradition, our method of government, our Bill of Rights, our economic system—was being challenged as never before. *Freedom and Responsibility in the American Way of Life* is a re-examination of these factors in the light of this challenge.

For Becker, the "American way of life" was a sort of accrued interest, earned by the proper balance of the machinery of democracy to the geographic and historic matrix in which it operated. For over a hundred years American democracy could be likened to "risk capital"—in the literal as well as the figurative sense. Partly, this was the influence of the frontier. Today, however,

> Land is no longer to be had for the taking. The necessary job is no longer ready and waiting for the young man who needs it. Our potential wealth is still immense, but we can no longer count on unrestrained individual enterprise to make it fully available or to get it properly distributed.

With this, the moral risk which went into the making of democracy has declined; men more and more want a "safe" investment: jobs, security, old age pensions, state medical care. Something of the old spirit of democracy, of which freedom was one of two or three fundamental dynamics, has diminished. The problem is to keep alive the old spirit

[4] *Freedom and Responsibility in the American Way of Life.* By Carl L. Becker, Knopf. $2.50.

within a new system of economic conditions. Becker went so far, just before his death, as to predict that some form of economic collectivism was inevitable. The question for him, as Professor George Sabine points out in a brilliant introductory essay, was whether it would be communism, fascism, or some form of modernized liberal democracy.

In this connection Becker quotes a conversation he had with a Russian acquaintance, who said to him in effect that whereas "the American form of government guarantees the freedom of the individual by letting him alone, in Russia the government guarantees the freedom of the individual . . . by seeing to it that he has a job, a place to live, an education, medical care, and other similar good things. 'The real difference,' " Becker quotes him as saying," 'is that in Russia we regard the government as our friend, whereas you Americans seem to feel that the government is your enemy.' "

There is enough truth in this—or rather, enough half-truth—to make the "total welfare" state attractive to the masses of the people, the more so as capitalism offers illusory freedoms in place of real jobs. All freedom presupposes the necessary conditions *by which* it can be exercised (freedom of the press is meaningless if there is a government monopoly of newsprint) and a desirable end *for which* it may be exercised; desirable, at least, in the eyes of the individual. The grammar of freedom is transitive: we desire freedom *from* some circumscribing condition (want and fear) and freedom *to* achieve a better condition than the one we enjoy at the moment. Our Bill of Rights was not conceived as an end but as a means—in the words of the Preamble to the Constitution, a means to "life, liberty, and the pursuit of happiness." The increasing failure of means to secure the ends for which they were created is the critical point of the democratic adventure.

Becker knew this. He knew that our freedom was dialectical; that it had been born out of a philosophy of optimism, in an age unclouded by the darker forces of evil which have since plunged the world into chaos, and in a country of expanding frontiers and vast unexploited resources. None of these conditions prevails today. Becker realized that the pendulum of Jefferson's day had swung to its opposite extreme. That government is no longer best which governs least, but which, so long as it is consistent with liberty, perforce governs most. It is a ticklish business to plan without infringing on the Bill of Rights, but it is a dangerous

business not to plan at all. For the tyranny of chaos and insecurity is deemed to be worse than the tyranny of the state, even when—as in totalitarianism—the tyranny is quite complete. The ideal, of course, is not even benevolent tyranny but democratic planning. So long as ultimate power rests with the people, the planned state is not tyranny; liberalism, far from having lost, has moved toward that condition of spiritual freedom which Jefferson himself conceived to be the right end of all government.

Becker saw in the American tradition the basis for such a shift. It would be primarily a re-emphasis of democratic responsibilities rather than rights; responsibility, indeed, would be the price of freedom. And the first responsibility would be that of acting; of doing *something,* regardless of our inability to predict with certainty the outcome. "It needs to be said," Becker wrote, "that if we let things drift we are in danger of getting the form of collectivism or managed economy we want least. We cannot easily drift into Communism or Socialism or Social Democracy. If we let things drift, the thing we are the most likely to drift into is Fascism."

* * *

Seven years ago, while some of us still thought we could sit out the world conflagration without getting our fingers burned, Lewis Mumford wrote a "Call to Arms" for which he was roundly denounced by the then isolationist liberal bloc in this country. Since those confused days his critics have eaten their words. In his latest book[5]—a collection of essays, speeches, and "letters to Germans" written for the OWI—Mumford summons a new call to arms in the name of world peace and the survival of civilization. It is more than likely that this time liberals will listen: the war has shaken us all loose from the easy assumptions of a preatomic world.

Twenty years ago, as Mumford readily admits, some of the ideas he propounds in this book would have shocked him; as, indeed, they did when he ran into them in Irving Babbitt's *Democracy and Leadership.* In those days it was fashionable for liberals to sneer at any suggestion that scientific rationalism might not be enough to solve the world crisis.

[5] *Values for Survival.* By Lewis Mumford. Harcourt, Brace. $2.50. *Editorial Note:* Further comment on this and Professor Orton's book will be found in the *We Note . . .* section.

Today we know that the irrational perversions of fascism are not to be dealt with entirely by rational persuasion. It took a war to defeat the fascist bid for world power and nothing less than the total mobilization of our intelligence—"metaphysical" and "spiritual" as well as scientific —will save civilization.

Readers of Mumford's most recent books, particularly *Faith for Living* and *The Condition of Man,* will be acquainted with his central belief; namely, that the primary concepts upon which capitalist democracy is based are no longer capable of meeting man's social needs. It is important to emphasize that these concepts include not only *laissez faire* and other conventional targets of liberals, but concepts that are part of the liberal creed itself, primarily its optimistic reliance on progress as a natural outgrowth of reason and the scientific method. Man must again become the center of the universe: a moral creature rather than a positivist idea. It is to his credit that Mumford's "conversion"—if such it can be called—has not led him into the devious paths of mysticism, medievalism, or religious authoritarianism, but rather into a reoriented liberalism which subordinates technology to a moral and political program capable of meeting the barbarians' challenge to civilization. For Mumford, the test of liberalism's survival will be the extent to which it can rid itself of beliefs once held to be the most indispensable part of its creed—the belief, for one, that man is an exclusively rational being and that as such his social institutions could be fashioned empirically and without the support of those religious and metaphysical values which antedated the scientific age. We must reassert the whole nature of man, for the crisis is psychic and moral as well as economic and political. What is wanted is not more knowledge but more wisdom. "You do not educate a man by telling him what he knew not," Mumford quotes Ruskin, "but by making him what he was not." To make us what we are not will, indeed, be the test of our liberal values. Mumford's book is so painfully true in this respect that it almost hurts to read it. For this reason, it should be read.

BOOK NOTES

Reveille for Radicals. By Saul D. Alinsky. University of Chicago Press. 1946. $2.50

A discussion of the People's Organization movement by its chief promoter. The book is marred by the author's near-hysterical approach to his subject. The distinction, also, between actual and hypothetical cases is never very clear. In

general, the book will raise more questions than it will answer and send most radicals back to bed.

The Clock of History. By Alvin Johnson. W. W. Norton. 1946. $3.

Dr. Johnson is a more gifted man than this book would indicate. His essays, written originally as editorials for the Bulletin of the New School for Social Research, have all the limitations of this kind of topical note making. His clock, nevertheless, is usually accurate enough to set your watch by.

Economic Freedom for the West. By Wendell Berge. University of Nebraska Press. 1946. $2.

The Assistant Attorney General, in charge of the Anti-trust Division of the Department of Justice, discusses the industrial potentialities of the West. The threat which monopolies, cartels, and railroad rate-fixing oppose to the West's development is well documented. Mr. Berge believes that the public-financed war industries of the West can pioneer a more balanced economy for this region.

* * *

Between Two Wars (The Failure of Education 1920-1940) By Porter Sargent. Sargent (Boston). $5.

This is not a book for the smug teacher. It gives no panacea for our educational ills. It solves no problem of educational method or administration. It offers no systematic philosophy of education. But perhaps because of this, it should be read by both the professional educator and the layman. Broad in scope, critical in tone, refreshing in style, its purpose is to stimulate and provoke thought. In this it is successful.

Porter Sargent has selected from annual editions of his *Handbook of Private Schools,* published between 1920 and 1940, a number of short essays and comments on the significance for education of writings of the time. He is catholic in his selection. He relates a great diversity of material to his central theme—the better understanding of man and his institutions. As stimulating as the selections themselves, the notes which follow bring the reader up to date by commenting on pertinent literature which has appeared since the original selections were written. This tends to give the volume contemporary as well as historic significance as a guide to reading.

Through his selections and notes Mr. Sargent seeks to prove his thesis: that the faith "we have placed in education has not been justified by the results"; that our present system of education "must assume some of the responsibility for our present wastes and wars"; and that the "needful knowledge was available, but our educators failed to make use of it." That educators have failed to make full use of available knowledge at any level in our educational system is certainly vigorously indicated. It is not at all clear how, had this been done

between wars, the "dead hand" of the past could have been removed from the tiller of our destiny.

The book should not be evaluated in terms of its support of this depressing thesis only. Its contribution is more positive. It reviews and points out significant implications of a tremendous range of literature as this relates to man's knowledge of himself and his institutions. If insight into this knowledge and its implementations could become part of the general social heritage, the term liberal education might well become more than an academic concept.

O. F. MATHIASEN

WE NOTE . . .

BUT IS IT LIBERALISM?

This will be something in the nature of a postscript to Mr. Dempsey's review of books on liberalism and freedom, a postscript in respect both to titles that might have been added to the review, and also to ideas that may have been insufficiently emphasized.

It seems unfortunate that the review should lead off with and give most attention to Orton's *The Liberal Tradition*. Here is a book, scholarly and honest as it may be, that is nothing but an apologetic for the nineteenth-century liberalism of egregious *laissez faire*. Mr. Dempsey of course, recognizes Orton to be a "hard-shell, or fundamentalist, liberal," and couples him with names like T. S. Eliot, Sorokin, and Hayek. But all this is to blacken irretrievably the title of "liberal" at the very start. If Sorokin and Eliot are "liberals," despite any number of adjectives, or even something like liberals, we might as well confess to a fatal tiredness and surrender right now.

Had the review included Morris Cohen's *The Faith of a Liberal*[1] (Henry Holt, 1946) or even Julius S. Bixler's *Conversations with an Unrepentant Liberal* (Yale, 1946), the name "liberal" might not have had two strikes on it as it came to the plate. Both of these philosophers, for instance, entirely repudiate economic individualism as a part of liberalism; both certainly agree with Mr. Dempsey's and Miss Wooton's ideal of "democratic planning." In addition, they push to the front—this is especially true of Professor Cohen—qualities that are equally decisive. Here are some sentences from Cohen:

> Like science, liberalism insists on a critical examination of the content of all our beliefs, principles, or initial hypotheses and on subjecting them to a continuous process of verification so that they will be progressively better founded in experience and reason. . . . The touchstone that enables us to recognize liberalism is the question of toleration. . . . I prefer to think of the liberal temper as, above all, a faith in enlightenment, a faith in a process rather than in a set of doctrines, a faith instilled with pride in the achievements of the human mind, and yet colored with a deep humility before the vision of a world so much larger than our human hopes and thoughts. . . . Liberalism so conceived is concerned with the liberation of the mind from the restraints of authoritarianism and fanaticism.

Were this note addressed principally to students of philosophy there would be much in the books of Cohen and Bixler that could not be accepted, not, at least, by an instrumentalist or pragmatist. (President Bixler, for example, seems completely confused when his "repentant" liberal—a Dewey pragmatist—talks like a cross between a

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[1] An editorial error for which neither Mr. Dempsey nor Mr. Geiger is responsible. Professor Cohen's book was first given to Mr. Dempsey, then reassigned to Mr. Geiger.—P.B.

"progressive" educator of the jejune type and a fellow-traveller.) For little attention is given by either man to modes and techniques, too much to celebrating the rites of "liberalism." But this is not a professional discussion in philosophy or religion. Therefore, Cohen's plea for open-mindedness and toleration is one that must be underscored without reservation.

Mr. Dempsey faces this problem in his discussion of Becker's book. But the point is passed over too easily. The point is simply this: to be compelled to choose between security and freedom must be intolerable to anyone who can call himself a liberal. *Both* are essential —and at the same time. (True, this would be Pickwickian if we were talking about Security or Freedom as absolutes, but "absolute" is not in the vocabulary of the liberal.) To choose, say, between the civil liberties and social security is exactly the kind of choice that totalitarians are presenting. But the need for civil liberties is certainly not put aside by the achievement of economic security, no more than security becomes unnecessary when man simply has free speech—or the freedom to sleep under bridges. Without the personal liberties, man becomes at best a domesticated and docile animal. He loses the critical spirit that the liberal insists he must not lose.

It is this either-or dichotomy, the insistence that we choose, for instance, between Bulgarian and Jugoslav "democracy" or something labeled "Western" democracy, that the liberal refuses to accept. And it is the desertion of civil liberties by some of their erstwhile left-wing defenders (read, for example, the debates of the Fench Chamber on the rights of man section of the recently-proposed constitution; or the present arguments in the United Nations Commission on Human Rights) that the liberal refuses to second. All this, to be sure, is no criticism of Mr. Dempsey, who speaks about "planning" and "freedom" as correlative, which they must be. It is simply to register a hallmark of (what at least the present writer thinks to be) the liberal spirit.

But what does seem disheartening is the sight of Mr. Dempsey being swallowed whole by Mr. Mumford. If ever there was a tired liberal it is Mumford. How Mr. Dempsey can call liberalism "reoriented" because it forsakes (a) rationalism, and (b) the empirical fashioning of social institutions; and substitutes instead (c) "those religious and metaphysical values which antedate the scientific age," is a mystery profound and disturbing. As usual, it is a straw man that Mr. Mumford kicks around. What significant latter-day- or neo-liberal—John Dewey would be an example—ever held that man is an "exclusively rational being"? (It will be remembered, will it not, that Dewey was the formulator of the reflex-arc concept in psychology?) Who are the liberals—FDR and Henry Wallace are some other names—that fail to "reassert the whole nature of man," or that did not recognize that "the crisis is psychic and moral as well as economic and political?" Perhaps the difficulty is that Mumford thinks of himself—as of twenty years ago—as what liberals must now be like. . . .

Mr. Dempsey congratulates Mumford for not having turned to mysticism or medievalism. Give him time! Nerve paralysis is progressive. Even now Mumford talks like Mortimer Adler. And just what do these men offer? What is to be substituted for scientific

method and the technological continuum? Or for the values called "liberal democratic"? Is it brute force perhaps? What is meant by saying "man must again become the center of the universe"? (Does that mean a return also to the geocentric theory?) Just what is the "metaphysical" and "spiritual" mobilization that will save civilization? What distinguishes Mumford from Reinhold Niebuhr? Or from T. S. Eliot or Sorokin who were classified earlier by Mr. Dempsey as "hard shell, or fundamentalist, liberals"? There seems to be a change of mind here. The simple assertion that positivism or pragmatism or scientism is finished remains no more than an assertion, no more than one more symptom of the failure of nerve, unless something takes the place of these outworn philosophies. The retreaters from reason offer little more than dark sayings and hocus-pocus; technology is perforce to be overthrown by middle-aged novelists and theologians writing about mystics and Sin. Or will it be totalitarian power that will do the job? And is that, too, a reoriented liberalism?

But my point is not to quarrel with our reviewer. There is so much to agree with that it's poor strategy to end on a note of disagreement. Instead, I should like to present some questions that must be answered (hopefully, by future *Review* writers) if liberalism is to remain, as it must, a force in modern culture. How can we achieve the liberal "democratic socialism" that Mr. Dempsey or any other neo-liberal must espouse? How can we avoid a kind of pathetic and constipated wishful thinking that has admittedly overcome many liberals? What are the specific institutional and political changes that demand prior attention? What psychological motivation must be found to persuade man that his critical intelligence is an asset and not a handicap? Which social and political groups should be encouraged? It is probably unfair to end with questions; but these questions, unlike the ones above, would seem to point to positive answers. Seeking them should be a communal task of all positive liberals, and it should beget a common faith.

—G. R. G.

CONTRIBUTORS

MARGARET COLE's work in collaboration with her husband G. D. H. Cole on both detective stories and works of politics is already well known in this country. She is also the author of a number of books issued solely in her own name, of which the most recent is *Beatrice Webb,* published in May by Harcourt, Brace. She is Honorary Secretary of the Fabian Society.

As Assistant Secretary in the Research Department of the British Labor Party, GRAHAME MILLER writes authoritatively of the party's economic policy. Labor research, his chief interest, has been interrupted only by six years of war service (1939-1945) in the Infantry, Armored and Airborne Troops.

P. C. GORDON WALKER, teacher of history at Christ Church, Oxford (1930-1940), is now a Labor Member of Parliament. During the war he organized radio programs for German workers for the BBC, went to Radio Luxemburg as Chief Editor under SHEAF; and today he still speaks regularly for the BBC to the Germans.

KEITH HUTCHISON, English-born and raised, is a columnist and Associate Editor of the *Nation*. His most recent book is *Rival Partners: America and Britain in the Postwar World*, published last spring by Macmillan.

DAVID LEWIS, whose work has appeared twice before in the *Review*, is Executive Secretary of the Co-operative Commonwealth Federation of Canada.

NOLAN MILLER's first novel, *A Moth of Time*, was published in May by Harper's. His short stories appear frequently in *Colliers, The Atlantic Monthly*, and other magazines. He is writer-in-residence at Antioch College.

CHARLES I. GLICKSBERG has written on literary criticism, semantics, the Negro, and education for such magazines as *Etc., Direction*, and *The South Atlantic Quarterly*. This is his fourth appearance in the *Review*.

In addition to her active interest and participation in popular music before and during the war, JAN GOULD served for a time as engineering draftsman for the Navy and was for a year on the staff of *The United States News*.

T. SWANN HARDING is by way of being a veteran-contributor to *The Antioch Review*. He reminds us again that his expressed opinions are personal and not representative of the Department of Agriculture.

"Full Responsibility" is SYLVA GROSSMAN's first published story. She lives in Los Angeles with her doctor husband and two children. She numbers her rejected stories loosely in "the thousands," and says that her rejections are sometimes accompanied with encouragement but with the added advice that what she writes is not "commercial."

Professor of Economics at Oberlin College since 1925, BEN W. LEWIS has taken on so many special and interim jobs with the federal government that the record of his leaves of absence reads like alphabet soup. His knowledge of international cartels was stimulated by service in 1944 as representative of the FEA upon the interdepartmental committees on cartels and commodity agreements.

This is DAVID DEMPSEY's second appearance as reviewer in the *Review*. His fall article is tentatively scheduled to consider Negro fiction.

OTTO F. MATHIASEN is Professor of Education at Antioch College.

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